



Tishman and Affirmative Action

CORPORATE PHILOSOPHY AND ACHIEVEMENTS

Historically, it has been Tishman's practice to promote minority-owned firms in both our public and private sector projects. Through a variety of aggressive Affirmative Action programs designed to encourage minority and women involvement, Tishman has successfully formed an association with numerous M/WBEs on high profile projects such as One Bryant Park, One World Trade Center, 200 West Street and other notable projects. In addition, Tishman has hired and promoted many minorities and women into key positions within our firm.



A Diverse Team

As a nationally recognized construction firm, our livelihood is dependent upon our ability to establish relationships with locally based businesses. We have pioneered the creation of new avenues for advancement in the industry, and we continually strive to develop new and innovative Affirmative Action programs. Throughout the years, we have found that by fostering M/WBE and small business participation, we are maximizing competition and establishing ties to various local communities. As an example, John L. Tishman, our firm's former chairman, was one of the founders of the Regional Alliance for Small Contractors and served as chairman from 1994 to 1997. Current President and COO of Tishman NY/NJ/PA, Jay Badame, presently serves as Chair of the Board for the Alliance.

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EXEMPLARY PROJECT EXPERIENCE WITH AFFIRMATIVE ACTION PROGRAMS

New York Projects

- Project: Bank of America NY Headquarters at One Bryant Park, New York, NY
 Client: Bank of America
 Goal: 18% M/WBE
 Result: 30% M/WBE (core and shell)
 32% M/WBE (Bank of America Specialty Tenant Work)
- Project: 200 West Street, New York, NY
 Client: Private
 Goal: 25% M/WBE
 Result: 25%+ M/WBE
- Project: Four Times Square, New York, NY
 Client: Durst Organization
 Goal: (Governed by ESDC) 20% M/WBE
 Result: 23.8% MWBE
 Tishman received a letter of commendation from the ESDC for this project.
- Project: Three Times Square, New York, NY
 Client: Rudin Management Company and Reuters International
 Goal: (Governed by ESDC) of 18% in M/WBE
 Result: 18% M/WBE
 Tishman received a letter of commendation from the ESDC for this project.
- Project: Seven World Trade Center and Con Ed Sub Station, New York, NY
 Client: Silverstein Properties and the Port Authority of NY & NJ
 Goal: (Governed by Port Authority of NY & NJ) 17% M/WBE
 Result: 27% M/WBE
- Project: Harlem Children's Zone School and Office Building, New York, NY
 Client: Harlem Children's Zone
 Goals: (Governed by Owner) 30% MBE
 Result: 34% M/WBE
- Project: Alvin Ailey Dance Theatre, New York, NY
 Client: Alvin Ailey Dance Theatre Foundation
 Goals: (Governed by Owner) 25% M/WBE and 30% minority workforce.
 NYC Cultural Affairs goal is for 10% locally based enterprises (LBE)
 Result: 30% M/WBE and 57% LBE
- Project: E Walk on The New 42nd Street, New York, NY
 Client: Empire State Development Corporation
 Goal: (Governed by ESDC) 15% M/WBE
 Result: 29% M/WBE
 Tishman received a letter of commendation from the ESDC for the M/WBE participation effort.
- Project: 745 Seventh Avenue, New York, NY
 Client: Lehman Brothers



Goal: None
 Result: Tishman awarded over \$20 million in M/WBE contracts.

- Project: New Amsterdam Theatre, New York, NY
 Client: Disney Development Company
 Goal: (Governed by ESDC) 15% M/WBE Participation
 Result: 23% M/WBE
 Tishman received a letter of commendation from the ESDC for this project.

- Project: Federal Office Building at Foley Square, New York, NY
 Client: General Services Administration
 Goal: Unknown
 Result: 33% SBE, 30% DBE, and WBE 19%
 Tishman received commendations from the U.S. Small Business Administration, the Regional Alliance for Small Contractors and Professional Women in Construction.

- Project: Presbyterian Hospital, New York, NY
 Client: Presbyterian Hospital (Now New York-Presbyterian/Columbia University Medical Center)
 Goal: Unknown
 Result: 42% for minorities and women in the work force, +130 community residents employed
 Tishman received a letter of commendation from the hospital.

- Project: Merrill Lynch at the World Financial Center, New York, NY
 Client: Merrill Lynch
 Goal: None
 Result: Although there were no contractual goals, Tishman initiated a voluntary program that led to the award of more than \$6 million in contracts to minority-owned businesses.

- Project: Riverbank State Park, New York, NY
 Client: NYS Parks & Recreation Department
 Goal: Unknown
 Result: 25% MBE, 3% WBE, 39% minorities and women in the workforce and 25 local businesses.

- Project: Verizon On-call Contract - 2003, New York, NY
 Client: Verizon
 Goal: 14% M/WBE
 Result: 1st Quarter: 21.2% Awarded to M/WBES
 2nd Quarter: 17.1% Awarded to M/WBES
 3rd Quarter: 19% Awarded to M/WBES
 4th Quarter: 22% Awarded to M/WBES
 Tishman received the Verizon Supplier Excellence Award for exceeding the goals

Project: The Westin New York at Times Square, New York, NY
 Client: Tishman (Owner/Builder/Manager)
 Goal: (Governed by the EDSC) 15% M/WBE
 Result: 15% M/WBE



New Jersey Projects

Tishman has been providing construction management services to clients in the state of New Jersey since 1970 when we managed the construction of the original terminal of Newark Airport for the Port Authority of New York and New Jersey. Within these 38 years, Tishman has constructed a wide range of structures for our clients in both the public and private sector, ranging from hotel/casino projects in Atlantic City; to commercial office towers in Newark and Jersey City; to residential projects in Asbury Park, New Brunswick, Wildwood, Edgewater, Atlantic City, Jersey City, and Newark; to mass transit expansions in Hoboken, Kearny, Egg Harbor Township, Edison and Atlantic City. Tishman is also certified by the State of New Jersey as Affirmative Action Compliant with an approved AA302.

- **Project:** The Borgata Hotel, Casino and Spa, Atlantic City, NJ
Description: New 40-story, 30-acre complex with 2,002 guest rooms and suites, 122,000 square feet of gaming space, 6,500 parking spaces, spa, 11 retail stores, 10 restaurants, and banquet and special events facilities (\$1.1-billion project)
Goals: None
Result: Hired Weatherby, a WBE firm for the tower concrete. Weatherby's contract was valued at \$40 million.
- **Project:** Harrah's \$60 Million Expansion, Atlantic City, NJ
Description: Built a 45,000-square-foot expansion that increased casino space by 30%, added a new restaurant and renovated 12,000 square feet of existing casino space.
Client: Harrah's
Goal: 20% M/WBE
Result: Casino Phase: 42% M/WBE, Hotel Phase: 30% M/WBE
- **Project:** Global Gateway Program at Newark Airport, NJ
Description: Construction of three new hangars as well as renovation projects at Terminal worth a combined \$200 million.
Client: Continental Airlines
Goal: (Governed by The Port Authority of NY & NJ) 12% MBE and 5% WBE
Result: 15% MBE and 8% WBE
- **Project:** Claremont Tower / FBI Eastern Headquarters, Newark, NJ
Description: 12-story, 500,000-square-foot office tower built in Newark on the banks of the Passaic River with a value of \$60 million
Goals: (Governed by The City of Newark) 25% MBE and 7% WBE
Result: 26% MBE and 8% WBE - Additionally, all workforce goals were met, including the goal of 50% participation by Newark residents.

Pennsylvania Projects

- **Project:** Philadelphia Schools Capital Improvement Program
Description: Renovation and new construction projects at 13 school locations throughout the city, worth over \$200 million. Projects ranged in size from a 65,000-square-foot elementary school renovation project to the new construction of a 105,000-square-foot elementary and middle school at G Street & Hunting Park Avenue.
Client: Philadelphia School Improvement Team - Office of Capital Programs
Goal: 40% M/WBE Participation for entire program (\$200 million construction value)
Result: +40% M/WBE Participation



- Project: Pennsylvania Convention Center Expansion
Description: Expansion of the existing convention center of approximately 1,000,000 square feet, doubling its size.
Client: Pennsylvania Convention Center Authority
Goal: 25% M/WBE
Result: 29.4% M/WBE (18.41% MBE and 10.92% WBE)

- **AFFILIATIONS WITH RELATED ASSOCIATIONS**

REGIONAL ALLIANCE FOR SMALL CONTRACTORS

In conjunction with the Port Authority and other entities, Tishman helped to spearhead the formation of the New York City-based Regional Alliance for Small Contractors, a not-for-profit corporation that helps M/WBE firms and small businesses gain the business acumen and technical skills necessary to effectively compete in today's construction market and qualify for increasingly larger contracts.

In May 1994, Tishman Construction Corporation was honored by the Alliance for awarding the highest number of M/WBE contracts of any private partner involved with the organization. (Contracts that we awarded to M/WBE firms in 1992 and 1993 exceeded \$120 million.) John L. Tishman, former chairman and current member of the board for Tishman Construction, presided for three years as chairman of the Alliance. Jay Badame, President and COO of Tishman NY/NJ/PA, currently serves the Alliance as Chair of the Board.

From 1994 through 2007, Tishman's AA/EEO staff continues to receive accolades on its excellence in promoting and working with M/WBEs, including an interview with NY1's Spanish TV.

Tishman is still active in several of the programs developed by this organization:

- The Managing Growth Program provides small, minority, and women-owned businesses involved in construction and its related fields with classroom instruction taught by industry experts.
- The Loaned Executive Assistance Program (LEAP) helps small contractors to resolve operational and management problems that might otherwise constrain their ability to compete for and successfully complete progressively larger projects.
- The Financial Small Contractors Program (FISC) seeks, through the efforts of various sectors, to enhance the credit worthiness of small contractors, and to reduce or remove impediments in obtaining needed capital in the conventional credit markets. This program also includes advisement on bonding procedures.
- Professional Women in Construction (PWC) is an organization that Tishman has worked consistently with since its inception in recognizing women within the industry and supporting their efforts and challenges. First Vice President of Tishman, Nancy Czesak, RA, serves as PWC's secretary and is on its Board of Directors.
- Tishman additionally has formed close working relationships with some of the leading minority and women contractor associations, including:
 - ❖ Association of Minority Enterprises in New York (AMENY)
 - ❖ National Association of Minority Contractors (NAMC)
 - ❖ National Hispanic Business Group
 - ❖ One Hundred Hispanic Women
 - ❖ Asian American Business Development Center, Inc.



- ❖ National Minority Business Council,
- ❖ Jamaica Business Resource Center

Tishman has developed a unique Affirmative Action program and the procedures for its implementation. The plan can be and has been tailored to meet the specific needs of a private developer or public agency. This program is attached.



THE TISHMAN AFFIRMATIVE ACTION PLAN

Tishman's award-winning procedures for the implementation of an affirmative action program are outlined below.

- ✓ Determine the Minority/Women Business Enterprises (M/WBE) goals, required or desired by our client, whether they are mandated goals by a public agency or the desired goals of a private owner.
- ✓ Once the goals are determined, an Affirmative Action Rider should be prepared which defines the subcontracting goals, equal employment opportunity workforce goals, reporting requirements and any other applicable goals. This Rider should be included in all bid documents and contracts. The appropriate reporting forms will be included in the aforementioned document to ensure contractor awareness.
- ✓ Tishman will review the schedule of trade contracts with its estimating department to determine the approximate value of contracts that will be issued, and we will request proposals and submit them to the owner's affirmative action representative within an agreed schedule for the "committee" – comprised of Tishman, the client and the host agency – to review.
- ✓ Using Tishman's current and continually expanding M/WBE database, the AA/EEO department, along with purchasing, develops a bidders list to include M/WBEs that have shown the capability of performing in a prime contractor capacity. A prequalification form is completed by contractors for review and submitted with references and performance evaluations, if accessible. Tishman also reviews the qualifications of M/WBEs that are referred by the owner's representative or participating agencies for addition to the bid list. The final bidders list is submitted to the owner's representative for review, approval and prospective bid.
- ✓ Throughout the duration of a project, Tishman recommends conducting outreach programs and attending procurement conferences and trade fairs in an effort to recruit new M/WBEs for future projects and referral to other prime contractors.
- ✓ For a particular project location, we would explore local minority/women contractor associations, civic organizations and any other entities suggested by the host governing agency.
- ✓ At these outreach events, we will meet with contractors and suppliers and arrange follow-up meetings in addition to requesting a prequalification form, along with the company's brochures and references, for potential inclusion in our bid process.
- ✓ Tishman maintains an additional database of smaller M/WBEs and other protected classes who might not qualify as prime contractors, but who have worked on our projects as second- and third-tier subcontractors and suppliers. These subcontractors and suppliers are referred to successful prime bidders who are obligated by their contract to achieve required participation.
- ✓ In addition, Tishman regularly accesses the databases of public agencies to obtain the names of newly certified trade firms to augment our listings, and for information regarding references and capacity.



The minority/women contractor associations, business development organizations and constituency groups with whom we confer on a regular basis regarding contracting opportunities and in connection with gaining support for our outreach efforts and goal attainments include:

- The Association of Minority Enterprises in New York (AMENY)
- The Regional Alliance for Small Contractors (which Tishman co-founded and whose chairman was John L. Tishman for several years)
- Professional Women in Construction (where a Tishman executive serves on the board)
- The New York/New Jersey Purchasing Council
- The National Association of Minority Contractors
- The National Hispanic Business Group
- The National Hispanic Chamber of Commerce
- The Minority & Women Business Associations and Assistance Centers

Once a scope of work and the estimated value of a contract are identified, the affirmative action and purchasing departments, along with site project managers, meet for the following purposes:

- To determine which qualified M/WBEs should be put on the bid list.
- To determine what portions of a contract lend themselves for bidding separately as an alternate, and in an effort to provide ample opportunity for bidding by M/WBEs within a manageable range.
- To determine the potential of developing a joint venture between prime contractors and M/WBEs based on specific scope of work.
- To set appropriate goals in each individual contract for M/WBEs in accordance with governing agency and/or client goals and participation. Include contractual language which states that an M/WBE participation plan must be submitted with bid documents for verification of contract agreement with M/WBE subcontractor prior to pre-award meeting.

Once the contract proceeds, monthly EEO workforce reports are completed and submitted by contractors unless it is determined that daily reports and/or weekly payroll reports are required. Once these reports are received, reviewed and compiled, a monthly status report is submitted to all appropriate parties. Notices for non-compliance are sent to the contractors that are in violation of not submitting corresponding reports. If a contractor is in non-compliance for two consecutive months, a meeting would be arranged to determine what efforts the contractor is making to rectify its breach of contract. These meetings are conducted with the affirmative action project manager and, in some cases, the project executive, to effectively resolve reasons for non-compliance.

- ✓ The status of the program should be reviewed on a regular basis regarding its progress and to determine if any goals are not being sufficiently addressed. Corrective action would be taken depending on the circumstances. The impact of change orders on existing goals would also be discussed and goal modifications made, if necessary. We would arrange a timetable for pre-award meetings with successful contractors to discuss their approved participation plan. Identification of the subcontractors to be used and obtaining letters of agreement and copies of purchase orders in advance of the actual award whenever possible will maximize participation.
- ✓ Quarterly compliance reports are required from every contractor to determine the percentage of completion and the status of payments to M/WBE subcontractors and suppliers. In this manner, we ascertain if payments are consistent with the balance of the contract life.
- ✓ In the event that an M/WBE experiences a cash flow problem, we should encourage the prime contractor to assist the subcontractor in establishing favorable terms for procuring materials and



equipment. In addition, we can promote measures to enable timeliness of periodic payments to M/WBE participants if necessary.

- ✓ At the completion of each contract, the contractor must submit proof of payment to all M/WBE subcontractors and suppliers in the form of a final waiver of lien, notarized release and copies of canceled checks and corresponding invoices. This is a requirement for final payment.
- ✓ A final report is prepared and submitted to the host agency confirming the final project cost and the percentage of M/WBE participation achieved.

GOAL SETTING METHODOLOGY

In setting the appropriate goals for a particular contract, we typically consider such factors as the scope of work. Not all contracts can produce the same goals. A review of upcoming bid specs and knowledge of the qualified M/WBEs available would determine that particular goal. Determining factors can include:

- Size and duration of contract
- Number of available and qualified suppliers who can supply the needs of a prime contract.
- Our knowledge of the contract success or failure of M/WBEs with other similar-sized project
- Experience from our many other successful Affirmative Action programs.

These discussions are conducted with the input of our purchasing/contracting executives, project executives, project managers, and our senior vice president of community relations.



COMMUNITY RELATIONS

Tishman Construction Corporation has a lengthy history of developing community relations. We have always taken the position that we are visitors and must “fit in” with the local population and show that we intend to be helpful, collaborative and good neighbors. A construction project often provides the opportunity of generating needed jobs for local residents and opportunities for local businesses that run the gamut from small hardware stores, auto repair shops, restaurants and delis to flower shops and stationeries. Our aim is to involve as many local businesses as possible in our day to day operations.

The River Bank State Park Project – A Case Study in Community Relations

A good example of this took place on The Riverbank State Park project we built in Harlem, New York City. We developed business relationships with 35 local stores and generated a large number of jobs, ranging from clerical to construction-related positions. With the use of several consultants familiar with the local population, we developed a construction management internship program to train minority individuals and women in construction supervision. Twelve interns completed the one-year course and were hired by the Office of General Services to work in the construction department. We coordinated job fairs and networking seminars for local businesses, with great results. We worked very closely with the local community board and created an advisory board. The committee consisted of neighborhood tenant associations, representatives of the New York State Parks Department and our prime contractors. The committee met bi-weekly and invited local elected officials to attend. In this manner, the neighborhood was kept fully advised of work schedules and job opportunities. One of our staff members was assigned to an intake trailer in which workers could register for any opportunities that could develop from the scope of work handled by our sub-contractors.

Creating an active advisory committee with the respective area participants gives the neighborhood a feeling they are part of the process and have an avenue to express their concerns. It is important for the local population to understand that while large construction is noisy, dirty and inconvenient, by working collaboratively with us, they can make it a smoother experience that will benefit them in increasing the value of their environment. Using the aforementioned approach with variations to fit particular situations, Tishman has succeeded in winning accolades and awards in many of our projects.



MENTOR/PROTÉGÉ PROGRAM

Since 2005, Tishman Construction Corporation of New York has been an active participant in The Port Authority of New York and New Jersey's (PANYNJ) Mentor/Protégé program. Flora Ramos, Director of Community Relations, managed Tishman's mentor role in the program from the onset, working alongside PANYNJ Program Director Dorothy Pentzke. Tishman's team of volunteers acted as program presenters. Other volunteers have been on call for Tishman's five protégé firms.

Tishman, along with other major construction management firms, has supported the Mentor/Protégé program by offering training sessions and sponsoring events recognizing the positive efforts of the protégé firms.

Tishman also conducted a virtual project, in which protégé firms teamed with mentors to produce and submit a bid package for a hypothetical construction project. At the end of the three-month exercise, the most successful firm was awarded a real bid on one of Tishman's actual projects. Some of the criteria for review include:

- Team cooperation/participation
- Ability to follow specific instructions
- Ability to follow insurance/building code requirements
- Ability to work within sustainability guidelines
- Timely submission of documentation

Tishman recognizes the importance of continuous training, along with hands-on experience, at a scale appropriate for small contractors, and is committed to enhancing the growth of local minority- and women-owned businesses.

Tishman proudly supports the Port Authority's Mentor/Protégé program and commends PANYNJ's tremendous outreach efforts for minority- and women-owned business enterprises.