

North Jersey NIGP Chapter #7

Chartered October 26, 1977

President:

Francis Decibus

Vice President:

Jim Jorgensen

Treasurer/Membership:

John DiStefano

Secretary:

Paula Ferreira

Minutes

Regular Meeting April 9, 2008

Quality Inn Conference Center, Somerset, NJ

The meeting was called to order at 10:00 am by President Francis Decibus

After flag salute, self introductions were made.

Minutes were approved.

John DiStefano was not present at the meeting and would email treasurers report.

Dave Harrington, Investigator

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Material on table for everyone regarding our 2 speakers.
Statutes and regulations book regarding prevailing wage is over 52 pages, with page 31 giving information regarding public agency responsibility.

Dave Harrington, Investigator, Wage and Hour Compliance

- Enforces prevailing wage act, investigates violations, he is a former Police Officer.
- Covers Morris and Somerset County
- Investigates public agencies, gathers evidence and comes in unannounced to look over certified payrolls. Per statute they are able to come into municipality unannounced.

July 1st last year their office is completely self funded. Does not rely on state budget any longer. Based on fees and penalties they can be independent from state budget. Approximately 7000 contractors registered in NJ at \$300.00 each. This goes directly to their offices. They start out each year with millions. Any wages they recover they add 10% administrative fee. There are approximately 100 people in office, 40 field investigators. The rest is office administration. There is a \$2500.00 initial penalty for falsification of records in public works projects. For example-45 weeks of certified payroll times \$2500.00 penalty for 45 weeks. They could also charge per employee. Majority of times certified payroll is not accurate. Sometimes public official will refuse to sign that the Dept of Labor was there. It is to their benefit if they do sign. If not, they will note that you refused to sign and if company contests the Dept of Labor can use your non-signature and can subpoena you.

Francis asked what will start their investigations. Usually disgruntled worker, competitors, union employee, resident. They also do routine inspections when nobody calls. Francis questioned if when they receive manning report that is what generates investigation. No per Alex. They are not considered under Open Public Records Act. Jim Jorgenson asked if paperwork received from contractor would trigger investigations. No because they do not get anything from contractor. If certified payrolls electronically submitted to them would that be helpful and trigger investigation. No beyond their scope at this time. They have about 800 cases per year. Most are found tripped over just making routine investigations. Jim asked why cant info be sent to them electronically? No because everything is sent to Trenton, not to the field investigators.

Joe Valente asks for the proper way that they conduct investigations.

David Harrington responds to Joe Valente. Any complaint must be investigated by them. At times they are investigating contractor and then will investigate subs. Joe Valente says that information given is not always accurate. Rates that matter are the rates that the contractor signs in the contract. Once a job starts there are 4 or 5 ways to investigate. Interview workers, but it's difficult because everyone runs. Go to public body ask to look at certified payrolls, make copies, first and last page of bond. Then go to contractor and look at payroll. Audit their books. If suspicious will audit back 2 years.

Whether or not they are registered, are their subs registered, and certified payroll. Take everybody that appears on certified payroll. Send form 15 to workers house. States records paid and how much and how many hrs worked. Check for discrepancy and follow up. The company has right to fight and get reduction in fines. One group got together and fought another group and determined certified payrolls not in on time. Generally takes 30 days. Must time stamp in certified payrolls. Eliminates problems.

Watch out for imposters that say they are from the Dept of Labor. Ask them for their ID and card.

Their website is available to us but it is not completely updated at this point.

Joe asks yrs ago if contractor thought to be debarred they would hustle and get any jobs possible. Per Dave, if they get notification of pending debarment they cannot do more jobs because their contractor registration is revoked.

Look closely at certificates to make sure they aren't counterfeit. Check commissioner name.

Mary Lou Stanton, Purchasing Agent, Somerset County, comments that yesterday she had a protest of a low bidder. She spent 4 hrs going over alleged forged public Contractors Registration Certificate because it had a white streak from being a faxed copy. If certificate is close to expire she will go online and get new one. Website does not say renewal, only start date and end.

Dave says that current certificates have number and year printed on top. Anything suspicious send it to them. Their website is updated weekly and they get daily updates. The Contractors page is much better. Any doubts call Trenton. They check all contractors history.

VP Jim Jorgensen asks how many violations make for a disbarment. Various factors decide. Typically 3 strikes and you are out. You can also get reviewed for debarment. Depends on amount of money, how cooperative the company is. They have many stalling techniques.

VP Jim Jorgensen asks if contractor is found in violation within entity, can that be considered irresponsible? No as long as not in debarred can be considered as responsible bidder.

Problem is, per Joe Valente, once he has served debarment you cannot use that as prior history.

Prevailing wage is only one thing that is economic sanctions.

If debarred will be for 3 yrs. Easier to revoke registration then get debarred. Less time. Registration can be immediately revoked for 5 yrs.

Question who is watching over state projects. They do. Good question. State worker complaint against state goes to Federal Dept of Labor. They monitor everything.

They also enforce jurisdiction. They make sure we are getting what we pay for.

Joe says they must get a lot of non documented workers. They are not immigration and do not enforce that law. All trades don't have helpers. Must be certified apprentices.

Questions-John Smith Construction disbarred so they went under different name like JS Construction. Can we use their records to disqualify? They are still disbarred. Doesn't matter if they change their name it is still the same company.

President Francis Decibus thanked them and said they will be having lunch with us.

Kathy Cupano will go over the upcoming Purchasing Conference.

There are 185 registered at this point, hoping for 255. Not so sure they will get that many. Second time since 2001 didn't hit 200 people registered. Registration has gone down. There are only 180 people taking classes. Not sure if it is the economy or just a cycle. Rutgers will be monitoring registrations. Send in registrations forms as soon as possible. Give Kathy a call if you have a problem. First morning session is supposed to be Rutgers on ethics "private vendors doing work for public agencies". Group to talk about doing business with government. Unfortunately this program will not be available. Will be replaced with US Attorney's office on ethics.

Joe Valente to give us law update.

Prevailing wage, public utility work subject to prevailing wage.

Index rate as of 3/28 is 6 % as of 4th qt of 2007 and will be good till 7/08.

Pay to Play political contribution disclosure compliance law.

Received from Mary Lou Stanton, Purchasing Agent Somerset County, about energy and natural gas. Higher gas prices. Putting gas into storage at high summer prices because it will be a difficult winter. Companies squirreling away natural gas.

Electricity solar panels, wind mills. State is interested in doing it. Generates a lot of hot air.

Dept of Corrections Monmouth County set up dummy corporation. Propaning and General Contracting. He passes on info and is responsible of award of contracts. Told his buddy what to bid. Got kickbacks or contracts into dummy corp. The caught up with him after 800,000 dollars. Ploy and plot knew what he was doing. While he was doing, somebody had to know what was going on. Always say that higher level knows what lower level is doing.

Bid rigging-General Electric-20 mil reconstruction county road Newark to West Orange. General Electric wants to be sub contractor. Lenny and bandits in Newark made specs that were too narrow. One company in mind could provide system. Brand name or equivalent. Judge said dismiss case because its subcontractor must be heard with contractor. Always comes down to specs. Everybody wants to sue.

Jim 101.5 auto part contracts-US Communities-Auto Zone. Eddie grant on vacation-Auto Zone has state contract on US Communities. April 15th.-parts-save 20% on current state contract. 135 Auto Zone stores that carry Auto Zone parts. Sole vendor of record for parts. All parts coming from china. Buy American does not apply to State level on all purchases only to steel.

Mary Lou Stanton- Auto zone will deliver everything. They require credit history of municipality. If they don't accept PO they will not do business.

Only affects towns that use State Contract.

GSA, WISCA- with a new computer you get maintenance.

GSA approved only for reprographic equipment.

Can Auto Zone provide every part for every vehicle? Only automotive parts for light duty vehicles.

Are they talking about putting more items under GSA? Only for Federal Government not the State of NJ or purchasing bureau.

Energy auditing RFP. BPU municipal audit program. Municipality to make improvements. Roy Humper is the buyer for energy. Will be open to local governments. Will be available in 2 weeks. Under state contract.

Recycling and solar. Recycle bank dollars. New twist to recycling. Each homeowner receives a wheeled recycling container with micro chip. Everything goes in same bin. When truck pulls up weighs and credits homeowners. Starbucks ect. It's a concession. Westwood plans to cut utility bills. Hires consultant.

Springfield has clear shot to sun but trees in way. Cut trees, unfortunately environmentalist will not allow. Attorney does not want to go out for bid. Says cannot come up with specs. Watchout for people wanting to make money from municipality.

Researched literature on addendum-definition-clarifies changes or modifies bid document prior to bid. Process to follow to do addendum.

Design immunity-adopt plans and specs. Can get sued if you don't adopt. Adopt prior to advertisement. NJSA 59:4-6(a). Construction jobs.

Bidders list-If you are notifying you must continue to do it. No law says u have to give out bidders list.

18 out of 21 counties did not give out this info.

Paris grants-new Sheriff –Sean Curry-making grants available to you. List of consultants. Just recommended them, not under state contract.

Never on Mondays-2008-1 LFN. Day after federal holiday, if open still considered closed. Bids and RFP's are included.

Legislative update

- 70 bills reintroduced
 - Certified projective cost
 - QPA bill continuing on
 - Labor piece agreement
 - Prevailing wage being applied to solid waste contracts and transportation
 - Prior negative experience
- Authorizes local contractors preference programs
Reestablishes set aside programs and office of contract compliance.

Question from the audience-What is the name of the of chip company-recyclebankdollars

President Francis Decibus sent a \$100.00 Shop Rite Gift Card to VP Jim Jorgesen on behalf of the Association, for the recent fire in his home. Jim sent a card of thanks

Requirement for claimant declaration on voucher. Wrote letter to assemblyman to save money to get rid of it.

Per Joe Valente, if vendor lies it is a per se violation.

Marlena Schmid, BA Township of Cranford added that the abuse of federal credit cards is unbelievable.

Next meeting June 18, 2008

With no more business, the meeting was adjourned at 12:00 pm. Networking and lunch were enjoyed by all.

Respectfully submitted,
Paula S. Ferreira
Secretary