MAP-21 Gets Bi-Partisan Support

2 YEAR BILL A POSITIVE SIGN

Conferences from both sides of the aisle in Washington D.C. reached a rare tentative agreement in late June on a two-year bill to finance transportation needs. The agreement marks the end of a partisan deadlock that left the future of transportation projects in uncertainty.

In early July, President Barack Obama signed the bill “Moving Ahead for Progress in the 21st Century Act” (MAP-21). Members of both parties were present for the White House ceremony at which Obama encouraged further bipartisan cooperation to pass larger infrastructure measures. Funding of transportation projects in every state has been a priority for Obama.

MAP-21 provides $84 billion each year toward much needed highway projects. It is a similar bill to the one passed by the Senate earlier this year. The House Republicans also worked on a bill that did not get to the floor for a vote. The House Republicans abandoned two key points: a provision speeding up the authorization of the Keystone XL pipeline and loosened restrictions on coal ash from power plants.

Through streamlining the administrative processes and consolidating various programs, the new bill reduces the time it takes to complete projects.

Critics of the bill take issue with the ability to sustain projects that have received money in the past, as the bill now permits states to opt out of federal mandates that required them to spend highway money on programs such as bike paths. Proponents of the bill say funding will remain at current levels and will protect and create three million jobs during a time when the unemployment rate in construction is extremely low. Moreover, the bill will keep thousands of construction workers on the job.

As the last transportation bill expired in late June, Congressional leaders were working around the clock to try and finish the bill. Attached to the bill will be a measure to extend the 3.4 percent interest rate on subsidized Stafford student loans for one year as well.

Transportation funding remains a salient issue as our infrastructure across the country is in disrepair. While the need for a larger transportation bill still exists, the recent passage of the current transportation bill is a positive sign.
The Collective Bargaining Pilot Program was formed as an alternative dispute resolution distinct from the traditional workers’ compensation system. The organizations must be in the construction industry and the alternative dispute resolution must be a part of the organization’s collective bargaining agreements. The agreements may also include an agreed list of medical treatment providers and doctors, a light duty program in which certain injuries may still require light work, safety procedures and a joint labor-management safety committee.

Agreements made between the union and bargaining employers must last two years and any benefits that employees are entitled to under the Program cannot be less than what the Illinois Workers’ Compensation Act provides for.

As one of the two Pilot Programs, the Illinois Department of Labor has chosen the Illinois Statewide Collectively Bargained Workers’ Compensation Program (“ISCBWCP”). The ISCBWCP consists of the Illinois State Branch of Operating Engineers, the Illinois statewide Ironworkers and the Laborers Midwest Region.

The three parties have agreed to work together to form the ISCBWCP and to make the Collective Bargaining Pilot Program a successful endeavor so that the Illinois Department of Labor will make the Program a permanent fixture in Illinois workers’ compensation reform available for use by all construction industry unions.

If successful, the Collective Bargaining Pilot Program will play an important role in any labor organizations’ collective bargaining agreements as it helps to further drive the costs of the Illinois workers’ compensation system down and reduce wasteful spending.

The Monitor
The Illinois Tollway

The Illinois Tollway passed a capital plan in 2011 called “Move Illinois: The Illinois Tollway Driving the Future.” This plan covers 14 years and about $12 billion worth of construction work to maintain and expand the existing system. Many people do not know that the Illinois Tollway receives no state or federal tax dollars for system maintenance and operation.

Part of the capital plan included a toll increase for users of the system to help fund the program. During the life of the plan, it is expected to generate $21 billion worth of economic activity and create an average of 13,000 construction jobs per year. It is still too early to tell what the economic impact of the plan is, but we already see the positive impact on construction jobs in an area that has been hit hard the last few years with unemployment.

In June 2012, I stopped at an Illinois Tollway project on I-294 near Cermak Road and spoke with several employees of R.W. Duntaemn Company. The three men that I spoke with are proud members of IUOE Local 150. We talked about the economic hardships that they faced in past years during the construction downturn and the reality that, in the best of times, they only work nine months out of the year. If there are no construction projects, then they do not work or get paid.

Operating Engineer Dan Moshis from Schaumburg spoke about his expertise operating a paving machine. He explained new mix designs of hot mix asphalt that the Illinois Tollway is using on a current project and the challenges encountered with a paving machine. It was impressive to listen to Dan explain the variety of temperatures used with different hot mixes and the necessary adjustments given to the paving machine to ensure a proper application. It was obvious that Dan takes great pride in his work.

While speaking with Operating Engineers Stanley Creps of Glendale Heights and Jake Ambrose of Chicago Ridge, we discussed the economic hardships of the last few years in the construction trades. Recent years have been incredibly trying on these men. Stanley had his home foreclosed on and Jake had been evicted from rentals, which forced him to live in his car for a three month period.

Last year, Jake only worked five weeks for the entire year. Jake recently started working in May of this year, but typically works just one or two days per week. Stanley was laid off from October 2011 until April 2012 and only made half of what he made in 2010 in 2011. In the construction industry, if there are no projects for a contractor to send you to work on, you don’t get paid.

All three of these men agreed that the only reason they are currently working is because of the “Move Illinois” capital plan. While this program is just starting this year, it appears that it is already impacting the lives of construction workers.
Getting to know

Mike Staebell, District Director
USDOL Wage & Hour Division in Des Moines, IA

Mike Staebell has been with the Wage and Hour Division for 30 years, starting as an investigator. He received a bachelor’s degree from Westmar College in Le Mars, Iowa and attended graduate school at the University of Nebraska-Lincoln.

“The years spent with Wage and Hour have had their ups and downs with both successful investigation outcomes and those that didn’t work out,” Staebell said. “But overall, I’ve had a rewarding career enforcing the nation’s labor laws.”

In addition to supervising a staff of 30, he regularly gives presentations to the public and has served as a national trainer for Wage and Hour on the Fair Labor Standards Act, Total Quality Management, Family and Medical Leave Act, Litigation Preparation and Investigator Basic Training.

The Des Moines District Office currently has 20 investigators, including 11 in Iowa and 9 in Nebraska. The Division has participated in 76 Davis-Bacon investigations for fiscal years 2011 and 2012 to date. The majority of these investigations were generated by complaints resulting in $957,316 in back wages for 672 employees.

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The II FFC has been a great partner, not only in providing leads that have resulted in successful investigations, but also to educate employees of their rights and employers of their obligations under federal labor law,” said Staebell. “I look forward to a long lasting, positive relationship with III FFC.”

He was gracious enough to answer a few of our questions:

Did you have family members that influenced you to go into the public sector?
I have an uncle who was a top-level manger at the Postal Service, and he often told me the positives about public service. He definitely influenced my choice of career.

What brought you to the USDOL?
My first job in the federal government was a project appointment with the Office of Apprenticeship where I got to know the Wage and Hour staff, learned about what they do, and was impressed. The first time a position with them came open in 1982, I applied and was selected.

What presents the most challenges in your position?
Trying to balance the agency’s limited resources with the large number of complaints we receive. There is a lot of work to be done to get employers into compliance.

What presents the most rewards?
There are several rewarding aspects of working for Wage and Hour. Getting workers paid what they are entitled to which they are entitled is number one. Helping employers understand and come into compliance with labor laws is number two. Not only are most employers appreciative of the education, but this prevents future violations as well. And lastly, on the occasions that we encounter an employer who is truly a bad actor, getting them into compliance and back wages paid to employees is something I am proud of.

Do you have any words of wisdom to share?
To employees I would say “pay attention!” If you feel there is something wrong with your pay, keep a personal record of hours worked, and keep notes for yourself. Should you ever need to pursue the matter, or contact Wage and Hour, those personal records can be invaluable. To employers I recommend taking the time to research the laws that apply to your business.

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Getting to know Mike Staebell, District Director USDOL Wage & Hour Division in Des Moines, IA

Mike Staebell, District Director; USDOL Wage & Hour Division; Des Moines, IA

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Compiling with Indiana’s New Anti-Nepotism Law

Effective July 1, 2012, Indiana adopted a new law aimed at curbing nepotism in local government (House Enrolled Act No. 1005). The anti-nepotism law mandates all local governments, including cities and towns, adopt and implement anti-nepotism policies that restrict local officials from hiring or promoting their relatives.

If a local government fails to implement an anti-nepotism policy, the department of local government finance may not approve the public body’s budget or any additional appropriations for the unit. Thus, the penalty for failing to implement an anti-nepotism policy is serious.

The anti-nepotism law includes two sets of requirements set forth in separate sections of the Indiana Code. The first prohibits employment of a relative that would result in one relative being in the direct line of supervision of another relative (IC 36-1-20.2-10). “Direct line of supervision” includes decision-making about work assignments, compensation, promotions or performance evaluations (IC 36-1-20.2-4).

The second relates to contracting for the procurement of goods, services or public works and bars local governments from entering into or renewing contracts in which the contractor is a relative of a council member or a mayor (legislative or executive elected official) of the entity, unless certain disclosures are made (IC 36-1-21). The Nepotism (IC 36-1-20.2) and Contracting with a Unit (IC 36-1-21) provisions are similar in some respects, including certain definitions, allowing some local governments to adopt more stringent requirements and penalties for non-compliance. However, the law is applied in different ways depending on whether there is an employment matter or contract at issue.

There are also some exceptions to the law. For example, individuals employed prior to July 1, 2012 are not covered, unless they have a break in employment (IC 36-1-20.2-2). There is also language in Sections 13, 14 and 15 of IC 36-1-20.2 addressing matters specific to a county coroner, sheriff and some township trustees.

At this time, it is unclear how many city and county employees will be affected. “Relative” is broadly defined as a spouse, parent or stepparent, child or stepchild, brother or stepbrother, sister or stepsister, niece, nephew, aunt, uncle, daughter-in-law or son-in-law. It also includes half sisters, half brothers and adopted children.

The anti-nepotism law does not prohibit relatives from working together. But no one can “directly supervise” a relative. Local governments are being advised to document relatives who work together so they do not have trouble later.

In terms of contracting, “elected officials,” such as mayors, city and county council members and county commissioners must disclose in writing if they are related to anyone who is awarded a contract with that local government to provide goods, services or public works. It also compels elected officials to disclose any financial ties they may have with contractors who receive taxpayer dollars. This fact must also be discussed in a public meeting and approved by the legislative body prior to final action on the contract or purchase (IC 36-1-21-5).

After approval at a public meeting, this written disclosure must be submitted with the State Board of Accounts and Clerk or Circuit Court in the county where the local government takes final action no later than fifteen days after final action on the contract or purchase.

This will be very interesting to monitor, as I have questions about nepotism posed to me on past public works projects. I believe it is very important for contractors and public bodies to have knowledge and be informed of this new law as well.

For more information about compliance with the anti-nepotism law, visit the Indiana Association of Cities and Towns website at http://www.citiesandtowns.org/.
FINDING DAVIS-BACON WAGE DETERMINATIONS ONLINE

While finding the correct wage determination may seem a daunting task, a one-stop online shop is available to assist you. From the www.wdol.gov site you can select current or archived wage determinations. To get started, you will need the particular State, County and Construction Type (Building, Heavy, Highway or Residential). If you are not sure of the construction type, you can select “All construction types” to see all the wage determinations for a particular county. Often, it makes sense to start with a broader “All” search and narrow the results from there.

Consider that Louisa County, Iowa has three (3) Heavy wage determinations: IA1, IA3 and IA4. IA1 is a mostly statewide determination for Heavy and Highway projects, but it does not include work on, or pertaining to, the Mississippi River or on Water and Sewage Treatment Plants. IA3 is a statewide determination covering work on, or pertaining to, the Mississippi and Missouri Rivers. IA4 is a mostly statewide determination covering sewer and water treatment plants only. Believe it or not, above is the short version of the IA1, IA3, and IA4 descriptions. Each goes into more detail about exactly what is (or is not) covered depending on where the project is located (for example, tributaries are also covered under IA3).

While finding the correct wage determination may seem a little burdensome at first, once you’ve used the system a few times, it makes more sense and becomes much easier to use. Public officials and engineers may want to visit www.wdol.gov in anticipation of a project to determine what the applicable rates will be. A public body must also include a copy of the applicable wage determination with the bid specifications, so contractors can prepare their bids incorporating the appropriate wage rates.

Another useful resource on the www.wdol.gov site is the Agency Labor Advisors. This link provides a list with contact information for the labor liaisons between the U.S. Department of Labor and other federal agencies such as the Army Corp of Engineers or Housing and Urban Development (HUD). Finally, the Library provides other useful links, such as significant All Agency Memos issued by DOL, covering numerous topics such as owner/operator and truck drivers, site of work, and certified payroll issues. The Library also provides links to related sites such as the Excluded Parties List System (https://www.epis.gov/) (listing debarred, ineligible or suspended contractors), as well as Title 29 of the Code of Federal Regulations which includes the rules and regulations pertaining to the Davis-Bacon and Related Acts. If you have not used www.wdol.gov as a resource, you may be surprised at how much it has to offer.

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Contractor News
By Brooke Anderson, Production Manager/Co-Owner

N-Trak Group LLC

In the Winter 2012 issue of The Monitor, I smiled at the heartfelt article on Town and Country Paving. I did not know this family, but I espied in their success, advances in the industry and their family cohesiveness. In a time when economic challenges are decaying business after business, it is motivating to see companies flourish.

In April of 2010, Danielle Schlichting and I embarked on a journey – starting our own excavation company.

In March of 2010 we were stuck on the sidelines as we watched fathers, brothers, uncles, cousins and friends lose their jobs in the blink of an eye. Our grandfather, Ernie Schlichting, started an excavation company that excelled for over 45 years and employed families for decades, most of whom became family to us. As we watched the sale of the “playground we grew up on,” we formulated a plan.

Our journey began in March of 2010 when Danielle came to my home and said, “We need to start something new, and we need to do it fast.”

Fortunately, we had many options. Danielle, who has a marketing degree from DePaul University was employed by a successful development company. I had a degree in dentistry from Rochester, Minnesota and had worked in private and public health while administering education forums.

Together, Danielle and I had options to support our families. We agreed that the business we grew up in was something we could not turn away from.

The planning started at full force.

We knew we had knowledge of the structure needed to encompass good leadership. We also knew that hundreds of qualified men and women were without work. Our challenge would be overwhelming and cumbersome, but if we could put people back to work, it would be well worth it.

The important dynamics of running a business consumed many objectives – Finances, Equipment, Insurance, Bonding, Unification, Field Organization, Administrative Structure, Scope of Work, Personnel, Management, and the list goes on. The two of us decided that this was going to be a roller coaster, but we were willing to take the ride.

As any business owner knows, financing a company is overwhelming. At thirty years old, how would we make this work?

We talked to banks, emptied our accounts, sold assets we had worked for previously, and said good-bye to retiring within a reasonable amount of time. We gambled.

Our first call was to a local union Business Agent. My question: “I’m starting a new business, how do I go about initiating this process with you?” His answer: “In this economy, are you crazy?” My response: “Yes, I think I am.” He replied: “Okay, we’ll help you get started.”

That was the beginning.

Since early 2010, N-Trak Group LLC has strived to excel in the excavation industry. The challenges have been numerous; however, it seems the mountains are enticing. Based out of Roscoe, Illinois, N-Trak Group specializes in underground utility installation including water main, sanitary sewer, storm sewer, site excavation, demolition, aggregate sales and snow removal. We exercise general contracting and subcontracting services, working with local municipalities, cities, villages and townships. Local quarry access/ownership offers easy aggregate distribution. Recycled concrete and asphalt sales have offered tangible materials to centrally located projects within the Northern Illinois region. Because of economic status, it is unfortunate that private development has taken a decline, but we hope to see that advance in the future years to come.

N-Trak Group started with four employees, not including Danielle. See N-Trak on page 14.
The Hodgkins Park District serves a population of approximately 2,300 people and is comprised of three parks including Hodgkins Park located at 8997 Lyon Street, Lenzi Park at 6022 Lenzi Avenue and the Whispering Willow Park located on Weeping Willow Road.

The District’s five member Board is presided by President Joe Moxley with Vern Millsap, Lumie Jones, Dolores Misasi and Jackie Warkentin serving as Commissioners.

The mission of the Hodgkins Park District is to provide quality leisure services, open space as well as maintaining the park’s facilities and programs for all the residents in accordance with existing statutory authority.

Each park offers a dedicated staff and a range of services such as early childhood programs, youth and teen programs, camps, special events and fitness.

Lenzi Park features an outdoor basketball court, playground, picnic shelters and a full size soccer field.

Whispering Willow Park has a nature park, walking path, gazebo and adult swings.

Hodgkins Park is the district’s largest and also has a community center, gymnasium, fitness center, sauna and several fields and courts for sports as well as a computer lab.

It is currently under construction and the different stages of work being performed are conducted through contractors who have signed a Project Labor Agreement (PLA).

A PLA is a comprehensive pre-hire collective bargaining agreement that is negotiated between a project’s owner (a park district for example) and an appropriate labor organization that sets out the basic terms and work conditions for that particular project. The intent of the PLA is to ensure the most efficient, timely and most cost-effective completion of a construction project.

The Hodgkins Park project was partially funded by a matching grant from the Open Space Land Acquisition & Development Grant (OSLAD) and has an approximate total cost of $800,000.

The work being performed varies from furnishing and installing a new asphalt basketball shoot-around court to striping and stockpiling all topsoil encountered during grading and excavation operations, as well as installing drainage pipe with end sections and other drainage requirements for the playground.

Kelly Young, Executive Director for the Hodgkins Park District has been an employee of the park for over 11 years and began her tenure at the park district while she was a high school student. She has been in her current position since February, 2011, and has extensive knowledge of the park and its activities.

In addition to serving as the Director of Marketing and Assistant Executive Director, she has also helped operate the park’s activities, programs and supervised gym programs.

When Kelly spoke to the III FFC, she said that she was very pleased with the work performed to date by all contractors on the Hodgkins Park project.

“I understand the importance and the purpose of having a PLA in place,” Kelly said. “Not only does the project completed by employees working for a contractor with a signed PLA agreement deliver a better and a high quality product, it also ensures that all state and federal laws are complied with, especially in regards to prevailing wage rates. Additionally, in the event that union employees decide to strike, the PLA protects the Hodgkins Park District from employees not completing the work on the date and time specified within the agreement. Union employees are required to continue working on the project until the work is finished.”

Kelly anticipates that the Hodgkins Park project will be completed by August 2012. The Hodgkins Park District is looking forward to the completion date in order to continue to serve the residents of the Village of Hodgkins with a new and improved Hodgkins Park.
Successful projects
Are built with teamwork.

It’s really quite simple. Successful projects happen when Labor and Management share the same priorities. And when the highest priority is having a team of safe, well-trained workers on the jobsite, those projects are completed on time and on budget.

So who keeps everyone on target? We do.

We’re the Indiana, Illinois, Iowa Foundation for Fair Contracting.

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