

SUMMER 2012



The Monitor

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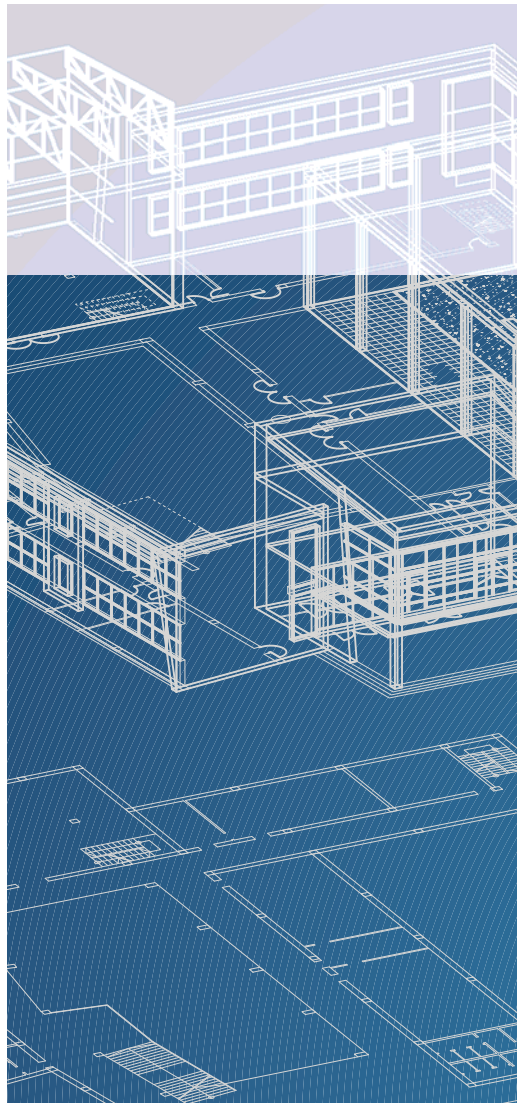
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RAISING THE BAR BY MONITORING THE CONSTRUCTION INDUSTRY



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MAP-21 Gets Bi-Partisan Support

2 YEAR BILL A POSITIVE SIGN

Conferees 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 \$8.4 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. ■

While the need for a larger transportation bill still exists, the recent passage of the current transportation bill is a positive sign.



LETTER FROM THE Executive Director

Marc R. Poulos

IDOL Selects Workers' Comp Program

Last summer, *The Monitor* reported the legislative rollercoaster that Illinois workers' compensation reform went through in 2011. One of the more significant issues to the construction industry in the reform was a Collective Bargaining Pilot Program.

The Pilot Program was formed as an alternative dispute resolution distinct from the traditional workers' compensation system, allowing the Illinois Department of Labor to select two international, national, or statewide organizations made up of affiliates who are the exclusive representatives of construction industry employees to participate in the alternative dispute resolution program in lieu of filing claims with the Illinois Workers' Compensation Commission.

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.

[Legal Corner]



Project Labor Agreements

A project labor agreement (PLA) is a pre-hire agreement that establishes the terms and conditions of employment for a particular project. It becomes part of the bid specifications and must be followed by any contractor performing work on the project.

A PLA also provides a uniform grievance mechanism to expedite resolution of any workplace dispute and prohibits work stoppage. Thus, the benefits of a PLA to a project owner, to help ensure a project is completed on time and on budget, may be immeasurable.

PLAs address many issues unique to the construction industry. On a construction site, there are many unrelated employers working in a joint effort to complete a project on time and on budget, in the safest and most efficient manner possible. Further, construction is cyclical, highly seasonal, and highly unstable, as we've seen in recent years where thousands of construction workers are unemployed, or working just a few weeks or months throughout the year.

To accommodate these conditions unique to construction, Congress amended the National Labor Relations Act in 1959 to allow contractors and unions to voluntarily enter into "pre-hire" agreements. Thus, construction industry employers and unions may

establish a collective bargaining agreement prior to the employer hiring any employees.

While a PLA may require that workers be hired through local union halls, in some instances the PLA allows a contractor to keep all or a percentage of current employees and hire additional workers from the hall.

PLAs were found to be lawful in the U.S. Supreme Court's *Boston Harbor* decision.¹ In this case, the Court held that the NLRA does not preempt state enforcement of a PLA. It found the PLA was permissible because the state was acting as a *purchaser* rather than a *regulator*. Stated differently, the Court found that the state was acting as a "market participant," and not setting public policy.

"Confronted with such a purchaser, the contractors who do not normally enter into such an agreement are faced with a choice. They may alter their usual mode of operation to secure the business opportunity at hand, or seek business from purchasers who perceived needs do not include a project labor agreement."²

Many people have a preconceived notion about PLAs – positive or negative.

Supporters of PLAs argue that they offer a workforce with superior training through labor See **PROJECT LABOR AGREEMENTS** on page 14.



Melissa Binetti
Counsel for the
III FFC



Kara Principe
Counsel for the
III FFC



Mike Lingl
SUPERVISOR

FOCUS ON Illinois



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. Duntelman 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.

The Illinois Tollway receives no state or federal tax dollars for system maintenance and operation.

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. ■

Labor & Management Cooperation III FFC and CAF Have Common Goals

By Tom Frailey, III FFC Supervisor

The working relationship between the III FFC and the Construction Advancement Foundation (CAF) began in November 2008 when III FFC Monitors from Indiana attended a one-day OSHA course in Electrical Safety & Arch Flash at the CAF offices in Portage, Indiana.

This course was presented by Jim Arendas, CAF's Environmental Safety & Health Director.

Soon afterward, CAF held OSHA 30 and OSHA 500 one-week seminars. All Indiana Monitors attended the OSHA 30 course and two Monitors continued on thru OSHA 500, certifying them to become OSHA instructors.

The relationship between the III FFC and the CAF has grown stronger over the past 4 years as our staff and our training needs increased.

This year, the III FFC contacted CAF for training in Trench Safety and Fall Protection. In April, CAF provided two eight-hour classes of training in these areas for all III FFC Monitors and Supervisors. The instructor was Manny Yipsilantis, retired from OSHA. The goal of this training was to help monitors identify and report safety concerns on construction sites. Since this training, nearly every III FFC Monitor has reported a safety issue to a contractor and/or to OSHA concerning trench safety or fall protection.

We typically have weekly contact with CAF as we share a number of goals. Namely, promoting union construction because we believe it provides the safest work environment and helps ensure projects will be completed on time and on budget.

Dewey Pearman, Executive Director of CAF, offers some important comments on our working relationship at page 11. ■



III FFC Monitors with CAF Trainer Manny Yipsilantis (Center) during OSHA training.

For more information on the working relationship between the III FFC and CAF, see **Labor & Management Working Together to Make a Difference** at page 11.

MONITOR PROFILE

Don Parker

Growing up in Northwest Indiana and later Chicago Heights, IL, Don Parker learned at a very young age the importance of having a well-trained and skilled labor force. All of Don's family members were involved in the construction trades in some manner.



“My uncle was the Financial Secretary of the International Union of Operating Engineers, Local 150,” Parker said. “My dad, ‘Bud,’ was a lifelong member. My brother, Jim, later became the Financial Secretary and my uncles were all either Operators or Iron Workers out of Local 1.”

It was not uncommon to have a house full of construction workers discussing the need for better wages and improved fringes and pensions. There was also a lot of discussion about the need for education and training throughout the trades.

In the early 1960s, the Executive Board of IUOE Local 150 and a group of Operators got together and started a make-shift training site in Lynwood at Buzz Lutes' Swan Lake Club. There was a dragline crane and some old bulldozers on the site and this became the start of an apprenticeship program. Other trades soon followed and training and education became an important part of the industry.

After graduating high school, Don joined the U.S. Marines. After he was discharged, Don joined Ironworkers Local 395 in Hammond, IN. He joined the Schererville Indiana Police Department in 1977 and served the next 28 years as a police officer. He served in all areas of the Department, but spent most of his career as an Investigator.

Don worked on several federal task forces and was later appointed Chief of Police.

In 2007, Don joined the III FFC as a Compliance Monitor. “I love this job because it allows me to work with people that I grew up around,” said Parker. “I also

See **Monitor Profile** on page 9.



John Freitag
SUPERVISOR

FOCUS ON Iowa

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.

"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 manager at the Postal Service, and he often told me the positives about public service. He definitely influenced my choice of careers.

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 working people the wages 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.

The majority of these investigations were generated by complaints resulting in \$957,316 in back wages for 672 employees.



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

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. Get on the Internet, call some agencies, but learn what your obligations and rights are before there is a problem.

What are your plans for the future?

The only future plans I have at this point are to work two more years and see how retirement looks at that time. My wife Cindy is a special education teacher, and I have two sons, Jake, age 31 and Josh, age 28. I enjoy bicycling, kayaking, camping, reading and walking my dogs. At some point I would like to spend more time doing these activities, as well as spending more time with my family. ■

Monitor Profile continued from page 7.

get to help promote issues like responsible bidding that go back to the root of what my dad and his friends knew."

A responsible bidder provides a well-trained and educated work force, offering quality craftsmanship, reduced injuries and less damage to equipment or materials. Most importantly, it allows workers to become proficient and to earn a fair pay with benefits.

Monitoring projects and filing bid protests or complaints with state or federal Departments of Labor is a large part of a Monitor's responsibilities. Monitors also spend a lot of time providing information to public bodies regarding the benefits of responsible bidding for the community and taxpayers.

Don's investigative experience has been beneficial in his job as a Compliance Monitor. His background with labor and the construction industry provides insight in understanding how important it is to support responsible contractors.

"Responsible Contractors have provided my family with a good living all of my life," he said. "My mother now receives a pension that is guaranteed because of the contributions made by these contractors. It gives me a lot of satisfaction trying to make sure that we keep work for our good contractors and their workers."

Don recently received a call from a worker complaining that various underground storage tanks were being removed in a southern Will County community. The worker knew that Illinois Prevailing Wage Rates were supposed to be paid but believed the contractor was not complying. As a result, Don monitored the project and discovered that the work was being performed by an environmental contractor from Fort Wayne, IN. An investigative file was opened and a complaint will be forwarded to the Illinois Department of Labor for review.

It gives me a lot of satisfaction trying to make sure that we keep work for our good contractors and their workers.

Cases like this are strong indicators that a contractor may not be paying the proper wages and benefits. How can a contractor from Fort Wayne come into Will County mobilizing four dump trucks with trailers and equipment, and then underbid our local responsible contractors?

If the wage rates are supposedly the same for each contractor, how can an out-of-state contractor also pay workers per diem and lodging, transportation cost, and the prevailing wage rate and still be the low bidder?

They can't.

Another concern with out-of-state contractors is that the workers generally take their money back to their communities to buy groceries, clothes and dine out, all of which does not help our local economy.

Don is married and has five sons. The oldest two are police officers in Northwest Indiana. One son is just finishing his 1st year apprenticeship as a Pipefitter with Local 597. The youngest two have just graduated and are planning for college and work. ■



Marcella Kunstek
COMPLIANCE MONITOR

FOCUS ON Indiana

Complying 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 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/>. ■

The penalty for failing to implement an anti-nepotism policy is serious.

Labor & Management Working Together to Make a Difference

By Dewey Pearman, CAF Executive Director

The last few years have not been kind to the union sector of the construction industry. We have faced numerous challenges and attacks on several fronts from the national, state and local levels. Here are just a few examples of challenges faced by contractors and unions in Northwest Indiana.

A diminished construction market caused by the worst and one of the longest lasting economic recessions since the great depression.

A declining market share nationally.

Pension, health and welfare and other benefit funds struggling to stay afloat.

A growing, radical and well-funded political movement at the national level whose purpose is to put unions, and their employers if need be, out of business.

Misclassification of employees by non-union contractors.

The State of Indiana passed right-to-work legislation in a transparent politically motivated attempt to put unions out of business, even at the risk of also putting their employers out of business.

The State of Indiana changed the make-up of the common wage setting committee to give the Associated Building Contractors a voting seat at the table where wages are set on public projects. At the same time, they dramatically increased the dollar threshold below which public projects are required to have wages set.

The Indiana General Assembly is now targeting the elimination of project labor agreements on public projects and eliminating common wage setting requirements altogether.

These threats and many others to our industry are not going to go

away any time soon. In fact, they are likely to intensify. And what do we do in the face of this constant barrage? All too often it is to fight amongst ourselves. There is a natural, and perhaps sometimes necessary, dynamic tension between labor and management. Much of this tension occurs during labor contract negotiations. Hopefully that tension is managed in such a way as to result in a mutually agreeable outcome. Unfortunately, as we have seen all too often, that tension spins out of control and escalates. Often the resulting animosity carries over to other aspects of labor management relations. It creates an "if they want it, it must be bad for me" mentality that sometimes prevents us from seeing how working together to pursue our mutual interests can result in gains for both labor and management.

That's why we appreciate the relationship the Construction Advancement Foundation (CAF) has developed with the Indiana, Illinois, Iowa Foundation for Fair Contracting (III FFC). They get it. They understand that individual unions and contractors and labor-management groups such as the III FFC and contractor associations like CAF need to work together to meet the challenges facing the union sector, and to take advantage of mutually beneficial opportunities. They understand that the futures and fortunes of labor and management are tied together. We value the work of, and working with, the III FFC in areas such as securing work for union construction in the public sector; ensuring all contractors on public works projects meet the wage and benefit payment requirements so that union contractors are not placed at a competitive disadvantage; making sure

See **Labor & Management Working Together** on page 14.

2012 III FFC EXHIBITOR SCHEDULE

The III FFC participates in numerous conferences and events throughout the year. Stop by our exhibit and introduce yourself.

IOWA

Sept. 26-28

Iowa League of Cities
Sioux City Convention Center,
Sioux City, IA

ILLINOIS

Oct. 18-20

Illinois Municipal League
Hilton, Chicago, IL

TBD

Municipal Clerks of Illinois

Nov. 11-13

Township Officials of
Illinois
Convention Center Plaza
Springfield, IL

INDIANA

TBD

Indiana Association
of County Commissioners



FINDING DAVIS-BACON WAGE DETERMINATIONS ONLINE

WageDeterminationsOnLine.gov (www.wdol.gov) is the one-stop online shop to find Davis-Bacon wage determinations and much more. While the “dol” may be misleading, this is not a USDOL website. Rather, it’s a collaborative effort by various federal agencies that provides DBRA wage determinations and many other resources pertaining to federally funded or assisted construction projects.

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.

While there is an option to select the “WD Number,” this is not recommended unless you are certain of the specific number, since choosing a number may limit the information the search produces.

Consider that Lousia 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 much 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.epls.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. ■

Public officials and engineers may want to visit www.wdol.gov in anticipation of a project to determine what the applicable rates will be.

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 rejoiced 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 continuing 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, Unionization, 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?



The N-Trak Group company name is inspired by the owners’ children.

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.



Labor & Management Working Together

continued from page 11.

the commitment union contractors have made to working safely does not become a competitive disadvantage to them because their competition cuts costs by ignoring important safety regulations and practices; educating local, state and federal officials on legislative and regulatory issues important to the union sector; and ensuring union contractors are not at a competitive disadvantage because their competition improperly classifies its workers as independent contractors. These and other initiatives of the III FFC, when done in concert with unions, contractors and contractor associations, can be highly effective in securing the market for the union sector.

As one small example of how this kind of relationship can benefit both labor and management, the CAF has helped provide safety training to III FFC field personnel so that they can help ensure that our union contractors are not at a competitive cost disadvantage because non-union contractors don't follow OSHA required safety programs, training and practices. We look forward to continuing our work in safety and other areas with the III FFC for the betterment of our industry. ■

N-TRAK *continued from page 13.*

and myself, and in 2011 we employed 16. Our intent is to embrace more newcomers to add to the list of families on our team.

Our equipment fleet continues to grow as job necessity expands. Included are loaders, skid steers, excavators, rollers, combinations, job site trucks, plows, trailers, scales, mini excavators, trench boxes, hydro seeders and crushers. The list goes on and each buy is closely calculated as machinery, even if bought used, exceeds a high dollar amount.

For a company that started at a kitchen counter, grew to our basement, and has forged ahead to a city central locale, it has been a whirlwind to digest. Long hours, extreme dedication and perseverance have made our company viable. Danielle and I strive for relationships that last a lifetime. We believe in the value of teamwork and personal relations. Business savvy is integral without question.

With proud members of IUOE Local 150, Laborers Local 32, and Laborers Local 1035, we have educated, experienced technical field entities throughout our company. While business ventures consume our daily organization, it substantiates our agenda to regulate good business practice, organization, and micro and macro management. Our field personnel are commendable without question and we value them to the fullest.

The support of our local agencies has been rewarding. We set goals each week that drive our internal forces to succeed at whatever comes our way. Structurally, N-Trak is unique and unprecedented, with a story that I, for one, am proud of.

Our company name comes from our children. They are what truly drive us each day. Thank you to all that have been in our past, our present, and our future. ■

PROJECT LABOR AGREEMENTS *continued from page 5.*

management apprenticeship programs, a commitment to safety, access to skilled and experienced workers through hiring halls, and responsible contractors committed to providing workers with fair wages and benefits.

Opponents argue PLAs subject contractors to forced unionization.

However, as discussed in the *Boston Harbor* decision, contractors have a choice about whether to bid on a project with a PLA. On that project, 102 of the 257 subcontractors were non-union contractors who chose to bid and perform work on the project.

The fact is PLAs prevent work stoppages with no-strike and no-lockout provisions. The significance of a no-strike provision was experienced first-hand by Naperville Community School District 203. In the summer of 2010, unions and employers reached an impasse at the bargaining table and workers voted to strike. In Naperville, District 203 was in the middle of a high school building project. If the school was not finished on time, classes would not start on time,

with a domino effect on students, families, teachers and the district.

With a PLA in place, work on the project continued and the school was ready for students on the first day of classes.

Many projects in our area benefit from PLAs. In the Spring 2011 issue, we reported on the importance of a PLA to decommissioning the Zion Nuclear Power Station. And in this issue, the Executive Director of the Hodgkins Park District discusses why there is a PLA on the Hodgkins Park project.

Both articles highlight how PLAs help establish a work schedule, address jurisdictional issues and grievances, and prohibit strikes.

If you are a public official or project owner getting a project ready for bid, consider whether a PLA may serve your project needs. ■

1. *Bldg. and Constr. Trades Council of the Metro. Dist. v. Assoc.*

Builders and Contractors of Mass./R.I., Inc., 507 U.S. 218 (1993).

2. *Id.* at 231.

SPOTLIGHT

HODGKINS PARK DISTRICT, HODGKINS, IL

BY CARMELA GONZALEZ

The Hodgkins Park District serves a population of approximately 2,300 people and is comprised of three parks including Hodgkins Park located at 8997 Lyons Street, Lenzi Park at 6012 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 Warkentien 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. ■



The PLA protects the Hodgkins Park District from contractors not completing the work on the date and time specified within the agreement.

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.

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