

# The Monitor

RAISING THE BAR BY MONITORING THE CONSTRUCTION INDUSTRY

## Indiana Work Zone Safety Law

Indiana House Bill 1015 will help make Hoosier highway work zones safer.

Page 4





# TABLE OF CONTENTS

## 02 ENHANCING AMERICA'S ENERGY TRANSITION WITH PLAs

Project labor agreements (PLAs) are a great way to address workforce shortage issues.

### FOCUS ON INDIANA:

## 04 NEW WORK ZONE SAFETY LAW PROTECTS WORKERS

New Indiana law focuses on construction worker safety.

### LEGAL CORNER:

## 06 THE INFLATION REDUCTION ACT & ENERGY TRANSITION

An overview of the the Inflation Reducation Act (IRA) and its impact on the clean energy transition.

## 07 PROTECTING COLLECTIVE BARGAINING RIGHTS RAISES WAGES

New study finds states that protect collective bargaining rights are gaining union members and raising wages.

### CONTRACTOR SPOTLIGHT:

## 10 METRO EXCAVATING CORPORATION

Second generation contractor expands from residential to public works.

### FOCUS ON IOWA:

## 11 NEWS CONFERENCE ON VALUE OF RESPONSIBLE CONTRACTORS

News conference highlighted the detrimental impact to local residents after the City of Moline hired nonresponsible contractor.



## FROM THE EXECUTIVE DIRECTOR: I-55 MANAGED LANES

Illinois lawmakers have taken significant steps towards addressing transportation infrastructure needs by advancing the long-discussed expansion of I-55. During the Spring legislative session, bipartisan support was garnered for two key pieces of legislation concerning the I-55 proposal.

Firstly, a broad legislative measure focused on rules governing the state's procurement of goods and services was amended to permit the Illinois Department of Transportation (IDOT) to consider unsolicited proposals from private entities for collaborative transportation projects, including the addition of toll lanes to I-55. Public-private partnerships (P3s) allow large-scale projects to be completed with private funding and can often lead to them being completed faster than expected.

In parallel, a joint resolution was passed by both the House and Senate granting IDOT the authority to explore the introduction of express toll lanes on I-55. These approvals represent significant progress towards addressing the state's pressing transportation infrastructure needs.

The proposal to expand I-55 by introducing express toll lanes, which would be managed by a private entity, has been under discussion for approximately a decade. The Chicago Metropolitan Agency for Planning (CMAP) recommended congestion pricing to reduce traffic, finding that the extra lanes would reduce greenhouse gas emissions along the corridor by 34.1 metric tons per day by 2050.

Similarly, IDOT conducted comprehensive studies on the proposed expansion, including preliminary engineering and environmental assessments. The studies found that adding one lane in each direction between I-355 and east of I-294 and two lanes in each direction from east of I-294 to I-90/I-94 would alleviate congestion. IDOT's studies recommended the introduction of Express Toll Lanes (ETL), finding that ETLs would increase overall

A managed toll lane on I-55 could be a promising beginning to Illinois working with private vendors to support our infrastructure needs.



**Marc Poulos**  
EXECUTIVE DIRECTOR

road capacity and reduce congestion in the existing free travel lanes. Similar congestion pricing models are already implemented in various major cities like San Diego, Minneapolis, Denver, Houston, and Salt Lake City.

A managed toll lane on I-55 would help reduce congestion on the corridor and address the region's economic growth. The corridor currently handles a daily average of up to 160,000 vehicles, underscoring the need for efficient commuting and freight movement, which is critical for the regional economy. Will County is an intermodal hub of the United States' economy, and population growth in the area is expected to rise.

In support of this project, I have spoken with numerous newspapers, written op-eds, and have been interviewed by WGN Radio 720 to discuss the benefits of a P3 and a managed toll lane on I-55. Currently, P3s are commonly used in other countries for funding of necessary infrastructure projects and for congestion pricing on the infrastructure. There is also an appetite among private investors to put capital behind public-private infrastructure projects. This project could be a promising beginning of Illinois working with private vendors to support our infrastructure needs.

There is hope of putting an agreement together that is both good for the private operator, the State of Illinois, and labor. The recently completed Houbolt Road Extension, a privately owned and operated 1.5-mile roadway and toll bridge that helps link I-80 to the CenterPoint Intermodal Center near Joliet, is a prime example. The project has reduced congestion in the area, the toll is privately-operated, and initial investors are already seeing a high return on their investment.

The recent legislative approvals and ongoing efforts to introduce express toll lanes on I-55 are great signs that the project will come to fruition. We remain steadfast in advocating for critical infrastructure projects like this that will create work for local contractors and workers and grow our economy.





# ENHANCING AMERICA'S ENERGY TRANSITION: THE BENEFITS OF PROJECT LABOR AGREEMENTS (PLAs)

The United States is at the precipice of a monumental energy transition. The Inflation Reduction Act, signed into law in 2022 by President Joe Biden, allocates nearly \$400 billion for new clean energy projects encompassing solar, wind, carbon capture, hydrogen, nuclear, and more. This legislation represents a comprehensive approach to achieving American energy independence.

America's fossil fuel sector has produced a largely sustainable workforce model. The industry long ago recognized the importance of partnership with skilled trade unions to attract, train, and retain the skilled workforce it needed. Not surprisingly, a study by the Midwest Economic Policy Institute, *Building Good Jobs in the Great Plains Through Clean Energy Investments: Impacts in Minnesota, North Dakota, and South Dakota*, analyzing the energy industry found that clean energy projects were simply not competitive in the labor market relative to their legacy industry peers and were increasingly reliant on lower-skilled workers from out-of-state to build projects.<sup>1</sup> To successfully deploy the required skilled workforce for building, maintaining, and operating facilities, the clean energy industry must acknowledge the value of Project Labor Agreements (PLAs).

PLAs are pre-hire agreements between employers and skilled trade unions, clearly defining the terms and conditions of employment for all construction project workers. They often include minimum labor standards like prevailing wages and apprenticeship requirements. These agreements offer contractors cost certainty and often include provisions that eliminate the risk of labor disruptions such as strikes or lockouts. By reducing these disruptions, PLAs help prevent project delays and cost escalations and result in projects that are not only on time and on budget but also of higher quality.

The energy transition demands a highly skilled workforce capable of handling the intricacies of constructing and maintaining clean energy facilities. Unfortunately, the construction sector is already grappling with a tight labor market. To address the workforce supply issues and demand for skilled workers in the industry, PLAs are instrumental in promoting workforce development by providing a structured framework for contractors and unions to collaborate on training and apprenticeship programs. These programs help meet the evolving needs of the industry and provide a well-trained workforce.

PLAs do not significantly impact overall project costs or hinder bid competition. While workers under PLAs are better compensated and receive comprehensive training, these investments represent only a fraction of the total

project cost. Research has found that winning bids on PLA projects frequently come in at or below the engineer's estimates, indicating that PLAs remain competitive in the construction industry.

In addition, PLAs often stipulate local hiring preferences that support the local workforce and economy. These agreements ensure that a significant portion of the workforce comes from the community, generating jobs and economic opportunities for residents. These local workers then spend their earnings back into the community, benefiting nearby businesses and stimulating the local economy.

PLAs have proven to be a valuable tool for delivering certainty and quality to a new generation of large-scale construction projects. As the Inflation Reduction Act begins the work of transitioning America's complex energy system into this new era, PLAs can be a winning formula for project owners, workers, and taxpayers. Most importantly, by promoting job quality and workforce stability for increasingly in-demand industries, they are the insurance policy we need to ensure the critical work ahead truly delivers as promised for our economy and communities.

To successfully deploy the required skilled workforce for building, maintaining, and operating facilities, the clean energy industry must acknowledge the value of Project Labor Agreements (PLAs).



1. Jill Gigstad and Frank Manzo IV (2020). *Building Good Jobs in the Great Plains Through Clean Energy Investments: Impacts in Minnesota, North Dakota, and South Dakota*. Illinois Economic Policy Institute and Midwest Economic Policy Institute.

# PUBLIC BODY SPOTLIGHT

## Colona, Illinois

### CITY EMBRACES RESPONSIBLE BIDDING FOR A THRIVING COMMUNITY



In a unanimous 9-0 decision, the Colona City Council made a significant move by passing a local Responsible Bidder Ordinance (RBO). This milestone was championed by Colona's newly-elected Mayor, Don Ropp. Don, a retired IUOE Local 150 operating engineer and a dedicated resident, centered his vision for the city on principles of transparency, economic growth, and fiscal responsibility.

An RBO is a resolution integrated into a public body's procurement codes, outlining specific criteria that contractors must meet to be eligible to bid on public construction projects. The primary goal is to ensure that public projects are awarded to contractors who prioritize quality work, skilled tradespeople, safety standards, and maximum value for taxpayers.

Marc Poulos, the Executive Director of the Indiana, Illinois, Iowa Foundation for Fair Contracting (III FFC), praised Colona's RBO, stating, "This is a significant victory for the entire Colona community. Passing a Responsible Bidder Ordinance safeguards taxpayer dollars, promotes local economic growth, and supports well-paying jobs." Poulos also highlighted the inclusion of "5-for-5" apprenticeship language in Colona's RBO as a pivotal driver of workforce development.

The "5-for-5" apprenticeship requirement mandates that contractors bidding on Colona's public works projects must have participated in U.S. Department of Labor-approved apprenticeship training programs. These programs must have graduated at least five apprentices in each of the past five years in the relevant construction crafts. This provision not only ensures a highly skilled workforce but also encourages

collaboration between local businesses and skilled workers. Colona's Responsible Bidder Ordinance sets clear criteria for contractors, including proper business registration, compliance with environmental, labor, and safety laws, insurance coverage, adherence to prevailing wage regulations, and active involvement in apprenticeship and training programs. By adhering to these criteria, public bodies can ensure the success of public construction projects both financially and structurally.

A 2020 study by the Illinois Economic Policy Institute finds that local RBOs boost bid competition by 8 percent and strengthen apprenticeship programs, without increasing public construction costs.<sup>1</sup> The report also finds that RBOs have no statistical impact on total construction costs because they boost the share of construction performed by highly trained and skilled construction workers. Ultimately, the data reveal that RBOs deliver value on taxpayer-funded projects.

RBOs also bring value to the local economy and taxpayers by encouraging contractors to employ local workers. Hiring local workers leads to a stronger tax base, lower unemployment rates, and increased economic activity within the community. RBOs collectively contribute to a more vibrant and sustainable local economy.

The III FFC congratulates Mayor Ropp and the City of Colona on passing a Responsible Bidder Ordinance.

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1. Frank Manzo IV (2020). *Impact of Responsible Bidder Ordinances on Bid Competition and Public Construction Costs: Evidence from Illinois and Indiana, 2018-2019*. The Illinois Economic Policy Institute.





Myron Sutton  
REGIONAL MANAGER



# WORK ZONE

**W**e all agree that jobsite safety and workers getting home to their family and friends at the end of the shift is important to anyone who works in construction. This year, Indiana lawmakers passed a new law – House Bill 1015 – that will help make Hoosier highway work zones a little safer. The new law requires the Indiana Department of Transportation (INDOT) to establish a camera enforcement pilot program for the purpose of enforcing worksite speed limits. INDOT is targeting a 2024 timeline, with the hopes of rolling out the program during the next construction season.

The camera enforcement program is based on similar programs in other states. Motorists exceeding the speed limit by at least 11 mph in highway work zones would get a ticket mailed to the address of the registered owner of the vehicle. Motorists would get a warning for a first violation, a \$75 fine for the second violation, and a \$150 fine for each subsequent violation. For now, INDOT will only be able to use the proposed speed camera enforcement program along four interstates or at U.S. highway construction sites.

Construction zones are extremely dangerous, and data from the Bureau of Labor Statistics shows that an average of 55 workers or pedestrians are killed by vehicles in construction zones every year. In addition, the National Safety Council estimates that work zone deaths have soared by 63% since 2010.

While Indiana's new enforcement program will help reduce speeding in worksites, the law was not easy to pass. Similar legislation had been unsuccessfully brought before the Indiana General

Assembly as far back as 2019. In 2020, three Northwest Indiana state representatives sponsored a bill that died in the Indiana Senate. That bill was introduced after five Indiana road construction workers had been killed on the job over the past five years.

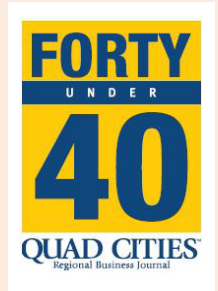
Glen Minyard, the Safety Director for IUOE Local 150, described several incidents involving his organization's members: "Our members were working on the shoulder of I-294 and did not have a vehicle parked on the shoulder to help protect workers from a vehicle approaching. While the crew was working, a vehicle sped along the work zone so close that the side mirror of the car struck a worker in the shoulder area causing injuries requiring EMS. In 2020, a tollway employee was picking up tire debris on the side of the highway and was struck by a passenger vehicle who swerved from the left lane across the right lane, fatally striking the employee."

The Associated General Contractors of America (AGC) reported that 67 percent of highway contractors said vehicles had crashed into their work zones in 2018. In total, 28 percent of work zone crashes injure workers, while 8 percent have fatal results for workers.

Minyard continued: "The new Indiana law is aimed at slowing the speed of vehicles in the construction zone for safety of workers. The most common work zone accidents are rear end collisions. Drivers are often unaware of how much time and distance they need to make a full stop. Even at the construction work zone speed limit of 45 mph, the total stopping distance is greater than 159 feet. This includes the total perception reaction distance, and braking distance of the driver. Sadly, many motorists are driving over the speed limit in work zones. And at



## THE QUAD CITIES TIMES' 40 UNDER 40: III FFC'S ANDY WAEYAERT RECOGNIZED



high speeds, how are workers going to recognize, react, and escape a vehicle entering a work zone?"

Work zones are dangerous, and the comments made by Glen Minyard put things into perspective. Oftentimes, drivers who speed through a work zone are not aware of their "total stop calculations." Ask yourself, would any of those drivers stand along the side of road and let thousands of cars drive beside them at 159 feet per second? The answer would be a resounding "NO." Drivers need to slow down in work zones and House Bill 1015 will help do that.

Jim Sweeney, President-Business Manager of IUOE Local 150, expressed his satisfaction with the recent legislation aimed at enhancing work zone safety. This legislation not only benefits the safety of the general public but also ensures a safer working environment for construction workers.

"Over the past three years, IUOE Local 150 has dedicated significant resources to champion this legislation, and now, we're gratified to witness its passage," said Sweeney. "There's no question that this pilot program will be effective and Local 150 is committed to supporting our contractors and our members to expand this enforcement mechanism for safety in future legislative sessions."

The III FFC would like to take this opportunity to thank Indiana lawmakers for passing the work zone safety measure, which we hope will expand to more locations as the program proves its merit. We are confident this legislation will save lives. We would also be remiss if we did not thank the many safety advocates and construction professionals who never gave up and spent years to see this important measure come to fruition.

III FFC's Iowa Regional Manager, Andy Waeyaert, was selected for the Quad Cities Business Journal's 2023 Forty Under 40. The annual recognition program highlights and honors individuals under the age of 40 who have made significant contributions to their communities in the Quad Cities. These honorees are typically recognized for their outstanding achievements, leadership, and contributions to various industries, including business, education, healthcare, philanthropy, arts, and more. Winners are chosen by a panel that weigh equally business success and civic and philanthropic activities. Congratulations, Andy!





# THE INFLATION REDUCTION ACT AND THE CLEAN ENERGY TRANSITION

The Inflation Reduction Act (IRA), inked into law by President Biden on August 16, 2022, heralds a pivotal moment in the nation's clean energy transition. With its substantial financial provisions, including grants, and loans allocated to support clean energy initiatives, the IRA charts a bold course towards a sustainable future. Notably, the Biden Administration places labor at the forefront, introducing unprecedented tax credits for renewable energy projects. These credits are contingent on taxpayers adhering to specific Davis-Bacon prevailing wage and apprenticeship standards, underlining the government's commitment to both environmental and labor priorities. This innovative legislation ushers in a new era of sustainable development, where environmental stewardship and workforce welfare walk hand in hand.

To ensure the effective implementation of the IRA's prevailing wage and apprenticeship requirements, the U.S. Department of the Treasury recently published proposed regulations concerning the PWA requirements. These regulations aim to provide clarity for taxpayers seeking enhanced tax credits under the IRA.

Key points in the proposed regulations include defining crucial terms related to PWA requirements and integrating certain aspects of the Davis-Bacon Act (DBA) into the IRA's PWA requirements. They clarify the responsibilities of taxpayers in adhering to these requirements, even if they don't directly employ laborers and mechanics. The regulations also elaborate on prevailing wage requirements, including wage determinations, correction and penalty payments, and criteria for determining "intentional disregard."

Additionally, the proposed regulations address apprenticeship requirements under the IRA, emphasizing compliance with labor hours, ratios, and participation requirements, as well as introducing the "Good Faith Effort exception" and penalty payment processes for noncompliance. These regulations aim to streamline and provide clarity on these critical aspects of the IRA's prevailing wage and apprenticeship requirements. Furthermore, the regulations would provide incentives for taxpayers to use project labor agreements (PLAs) would waive penalties for taxpayers who use qualifying PLAs.



Inflation Reduction Act of 2022

The III FFC along with the International Union of Operating Engineers, the North American Building Trades, and the Illinois Economic Policy Institute will be drafting comments for submission to the Treasury Department, addressing each area of concern or approval in these proposed regulations. This effort underscores the importance of engaging with regulatory authorities to provide valuable input and ensure the effective implementation of these regulations.

Similarly, the III FFC submitted comments on the DBA proposed rules, a topic covered in the Spring/Summer 2022 Edition of *The Monitor*. These DBA final rules are scheduled to take effect on October 23, 2023, marking the culmination of numerous updates to the DBA, with a strong emphasis on labor-related aspects.

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The proposed regulations address apprenticeship requirements under the Inflation Reduction Act, emphasizing compliance with labor hours, ratios, and participation requirements.

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Michael McNally  
COUNSEL



# STATES THAT PROTECT COLLECTIVE BARGAINING GAINING UNION MEMBERS AND RAISING WAGES

States that protect collective bargaining rights are adding union members and experiencing faster wage growth. A new report from the Illinois Economic Policy Institute (ILEPI) and the Project for Middle Class Renewal (PMCR) at the University of Illinois found that the 23 states that protect collective bargaining rights gained 100,000 union members since 2013, while the 27 states that with so-called “right-to-work” laws lost 336,000 members.<sup>1</sup> Over the last decade, worker earnings also grew 5% faster in the states that protect collective bargaining rights.

So-called “right-to-work” laws allow workers to receive all the benefits and services provided by unions without paying membership dues or fair-share fees. By requiring unions to provide services and benefits to free riders who do not pay, the laws reduce the resources that unions would otherwise have available to organize new members or advocate for workers. Between 2012 and 2017, five states—Indiana, Michigan, Wisconsin, West Virginia, and Kentucky—passed these laws, weakening worker bargaining power.

The report used data from the *Current Population Survey* released by the U.S. Department of Labor to compare the 23 states (and the District of Columbia) that protect collective bargaining rights with the 27 states that have so-called “right-to-work” laws. The data showed that “right-to-work” laws reduced union membership rates by 2% and decreased average earnings by 4% over the last decade. The policies had particularly corrosive impacts on job quality for in-demand occupations like the skilled construction trades and teachers, who suffered pay cuts of 5% or more.

To further assess the direct impact of these anti-union laws, the authors examined outcomes exclusively in the five states that adopted them between 2012 and 2017, and contrasted

them with states that continued to protect collective bargaining rights. The findings were similar, with “right-to-work” laws reducing unionization, decreasing wages, and having no substantial effect on drawing more people into the labor force during a historic worker shortage.

The release of the study coincided with new public opinion surveys showing that labor unions continue to enjoy bipartisan support from Americans.<sup>2</sup> Two out of every three Americans approve of unions, including nine-in-ten Democrats, seven-in-ten Independents, and half of all Republicans.<sup>3</sup> More than three-fifths of Americans say that unions have a positive effect on the U.S. economy, and four-in-five registered voters say that unions positively impact workplace safety and worker pay.

Recently, a growing number of efforts to protect collective bargaining rights have emerged. In 2023, Michigan became the first state in 58 years to repeal a so-called “right-to-work” law. In 2022, voters in Illinois approved the Workers’ Rights Amendment, guaranteeing the fundamental right to unionize and bargain collectively. With public approval of unions remaining at a six-decade high, other states may consider looking to Michigan’s example in repealing anti-union “right-to-work” laws, or Illinois’ example in codifying workers’ rights into their state constitutions, as ways to boost worker earnings and promote middle-class jobs.

1. Frank Manzo IV and Robert Bruno. (2023). *The Effects of “Right-to-Work” Regulations on Worker Earnings, Unions Membership, and Labor Force Participation Across the United States*. Illinois Economic Policy Institute; University of Illinois at Urbana-Champaign.

2. Saad, Lydia. (2023). “More in U.S. See Unions Strengthening and Want It That Way.” Gallup.

3. GBAO. (2023). “The State of Labor Unions is Strong.” August 1-8, 2023 survey of 1,200 registered voters.



Students outside of IUOE Local 150's William E. Dugan Training Center in Wilmington, IL.

# CHICAGO TO HOST THE DEMOCRATIC NATIONAL COMMITTEE IN 2024

FOCUS ON

ILLINOIS



Jodi Frailey  
REGIONAL MANAGER

The rigorous selection process for hosting a political party's national convention involves a combination of factors, including logistical considerations, infrastructure, accessibility, and negotiations between the party and potential host cities. The Democratic National Committee (DNC) assessed various cities and their capabilities before the decision was made for the City of Chicago to host in 2024. Chicago hosted the DNC over 28 years ago. The event will be held at the United Center and at McCormick Place August 19-22, 2024.

The DNC stated in a news release: "A critical Democratic stronghold: Illinois along with Wisconsin, Michigan, and Minnesota – part of the 'blue wall' – were crucial to the 2020 victory of President Biden and Vice President Harris and to Democrats' success in the 2022 midterm elections."

Illinois Senator Tammy Duckworth said that Chicago's "union labor advantage, hotel capacity," and Chicago's location – being right in the middle of battle ground states – played an important role in its selection over other cities.<sup>1</sup>

Chicago, and the Midwest generally, will serve as a platform to highlight President Biden's economic agenda, focusing on the revitalization of infrastructure, the promotion of a manufacturing resurgence, and the creation of well-paying middle-class jobs. Chicago has already experienced the positive effects of President Biden's bipartisan Infrastructure Investment and Jobs Act, with notable impacts such as a \$144 million investment for the rehabilitation of the four Illinois International Port Calumet River bridges and billions of dollars directed towards expanding economic opportunities throughout the region.

Hosting a major political event like the DNC can have several impacts on the host city. The influx of delegates, media, and visitors can provide a significant economic boost to the local economy. Hotels, restaurants, bars, and other businesses often see increased revenue during the event. The hosting of a major convention typically leads to the creation of temporary jobs in various sectors, such as hospitality, transportation, and event

services. In preparation for hosting the convention, Chicago is expected to invest in infrastructure improvements, such as upgrading transportation facilities, enhancing security measures, and making improvements to convention venues. These infrastructure improvements will benefit the City in the long term, as well.

When talking about the DNC coming to Chicago, Illinois Governor JB Pritzker said, "The 2024 [DNC] in Chicago will welcome people from across the nation to an unforgettable event highlighting [the] party's vision for lifting up working families and those who too often have been left out and left behind. Our great global city and its diverse communities, unparalleled hospitality, and world-renowned venues shows off the best of America and its people represent the heart of our country."

Chicago's world-class infrastructure, vibrant cultural scene, diverse dining options, and iconic skyline provide a great location for the DNC and other large conventions.

1. NBC 5 Chicago. (April 12, 2023). "How Chicago Landed the 2024 Democratic National Convention."







## LEGISLATIVE VICTORY MOVES SOUTH SUBURBAN AIRPORT A STEP CLOSER TO REALITY

Supporters of the long-debated South Suburban Airport achieved a legislative victory with the passage of House Bill (HB) 2531 in the Illinois General Assembly. This bill, signed by Governor JB Pritzker on July 28, 2023, mandates that the Illinois Department of Transportation (IDOT) take concrete steps towards developing the airport, which would be located 40 miles south of Chicago in Peotone.<sup>1</sup>

Elected officials have debated the need for another airport in the Chicago area for nearly 30 years. The South Suburban Airport would be built on the land of an existing airport, Bult Field, a privately-owned airport with a 5,000-foot runway in Will County. In July 2014, IDOT purchased Bult Field and some surrounding land for \$34 million in anticipation of the new airport being built.<sup>2</sup> Now, HB 2531 will jumpstart the process of finding business partners in the construction of the South Suburban Airport.

The new law, which will take effect on January 1, 2024, directs IDOT to find public-private partnerships (P3s) to develop, construct, finance, manage, and operate the new airport in Will County. The bill also imposes a six-month deadline on IDOT to establish a prequalification process and initiate the review of any proposals. A P3 is a contractual agreement between a public sponsor and a private partner, which in this case would be IDOT and a developer for the airport. Through this agreement, the skills and assets of both the private and public sector are shared in delivering a service or facility for the use of the general public. A P3 is the preferred method for the construction and maintenance of the South Suburban Airport because it is the most cost-effective and time-efficient method, while still retaining quality construction and accountability for taxpayers.

Opponents of the legislation do not think the airport is necessary and worry of environmental impacts on farmland. Proponents say the airport will support the residential, business, and economic growth that Will County is already experiencing. Will County is home to the largest inland port in the United States, supporting the transportation of commerce and goods throughout the country with numerous modes of transportation.

The proposed airport is intended to be a predominantly cargo-focused operation, with the potential for passenger travel. The Amazon distribution center and other warehouses in Will County will utilize the airport to move goods across

the country at an accelerated rate and will alleviate congestion issues at existing airports. Will County and the State are looking for ways to expand the region's transportation infrastructure to foster economic growth in Illinois. Ultimately, the South Suburban Airport will meet the region's growing transportation needs and ensure the region remains a crucial transportation hub for the United States.

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The South Suburban Airport will support the residential, business, and economic growth that Will County is already experiencing.

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Despite longstanding debates about the viability of a South Suburban Airport, the recent passage of HB 2531 represents a crucial turning point. The airport is an investment in the region. It is expected to boost tax revenue and economic activity in the area. Additionally, the new airport is expected to support current logistics companies and warehouses, while also attract new businesses to the region. The project's motto, 'Buckle Up Southland! Prepare for Takeoff,' reflects the optimism and anticipation surrounding this endeavor.

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1. "Public Act 103-0317." (July 28, 2023). Illinois General Assembly.

2. "IDOT Acquires Bult Field, Major Milestone for South Suburban Airport" (Press release). (July 1, 2014). Illinois Department of Transportation.

# CONTRACTOR SPOTLIGHT

## METRO EXCAVATING CORPORATION

A SECOND GENERATION COMPANY

Our Contractor Spotlight often highlights large companies working on multi-million or billion-dollar construction projects. However, we also recognize the equally vital role smaller contractors play in the construction industry and their significant contribution to local economies.

Metro Excavating Corporation, a second-generation excavation company, has been in existence for 58 years. Located in Cedar Lake, Indiana, Metro Excavating Corporation was first established as J. Metro Excavating in 1983 by John Metro, a member of IUOE Local 150 since the early 1960s.

In the beginning, the company focused on residential work in basements and driveways. The company later expanded its presence in Lake and Newton Counties, adding ditch cleaning with drag lines to its services. In its early days, the company had three machines - a 955 loader, a 350 John Deere dozer, and an American an old-school cable crane.

In 1998, brothers Jim and John Metro acquired the machinery from their family and re-incorporated to officially start the second generation of the company. Jim's experience in the family business included helping his father at the company during his college years. The two brothers expanded the business over the next decades, describing a transition phase resulting from the 2008 recession: "When there was a major slowdown in residential construction, we swayed over to



*John Metro grading at new Crown Point School Administration Building.*

municipal and town work, doing watermain, replacement repairs, and schools," said Jim Metro. "Along with the private sector we were able to segway into the public sector, doing infrastructure work to keep busy during the recession."

Metro Excavating Corporation continues to do both residential and public work. Currently, they are actively engaged in the construction of a new administration building for the Crown Point School Systems.

The company prides themselves on updating their machinery. "We have a full-service fleet of machinery of on and offroad equipment. Our inventory eliminates the back-and-forth moving of machinery from job to job," says Metro.

Additionally, "we value the business we receive from our clients, and we value the quality of workmanship that our employees provide. Having a professionally trained and skilled workforce has helped us to expand our market and ensures we are providing quality services to our customers." Beginning with just two employees, the company now has a dedicated team of ten employees.

This combination of up to date equipment, skilled workers, and readiness to bring their expertise to different types of projects highlights the immense value contractors like Metro Excavating Corporation bring to local communities and the construction industry.



*Jim Metro loading out extra clay from the new Crown Point Administration Building.*

*"Having a professionally trained and skilled workforce has helped us to expand our market and ensures we are providing quality services to our customers."*

*- Jim Metro, Co-Owner*



# NEWS CONFERENCE ON THE IMPORTANCE OF HIRING RESPONSIBLE CONTRACTORS

On June 7, 2023, Moline experienced a picture-perfect day with temperatures in the mid-70s. The city was buzzing with construction activities, and children were reveling in outdoor play. However, this idyllic scene took a nightmarish turn when a devastating incident unfolded near the intersection of 47th Street and 28th Avenue. A ruptured pipe wreaked havoc on the local sewer system, leading to sewage back-ups that caused catastrophic damage upon the charming homes lining Moline's picturesque community. An investigation by the city of Moline found that the back-ups were caused by the actions of the contractor, Legacy Corporation of Illinois, who was hired to reconstruct 47th Street.

After several months of inaction and lack of responsibility from the contractor, the Indiana, Illinois, Iowa Foundation for Fair Contracting (III FFC) held a news conference on August 29 to shed light on this horrendous situation the residents found themselves in. The news conference was attended by the news media and residents that were affected by the destructive actions of Legacy Corporation. Residents of the neighborhood shared the devastating details of what happened to them on that fateful June morning and the ensuing months since.

The III FFC had notified the city of Moline about Legacy Corporation before they were awarded the bid, as the contractor has a history of questionable actions. At the news conference, the III FFC called on Legacy Corporation to do the right thing and take responsibility for their actions.

The sewage back-ups resulted in damage to nine homes due to sewage flooding. Affected residents attempted to file insurance claims through the contractor's insurance, only to be met with denials. One resident, Jasmine Lee, reported spending nearly \$26,000 in clean-up after becoming ill with two strains of E. coli after sewage filled her basement up to her shins.

The III FFC encourages public bodies to hire responsible contractors from the get-go. Public bodies undertaking a public works project should retain some discretion to award the project to the lowest "responsible" bidder. Hiring Legacy

Corporation ultimately cost more due to the added mitigation costs for residents who were impacted by sewage than if the city had hired a responsible contractor from the beginning.

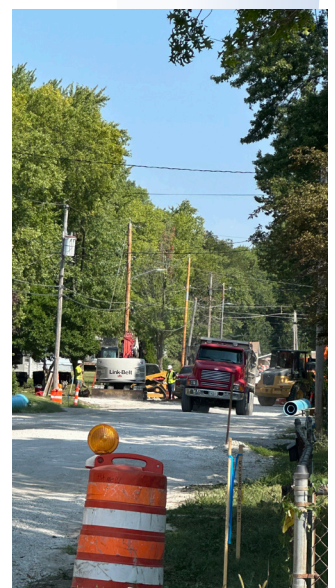
The voices of impacted residents were heard, and the public became aware of the incident and non-responsible actions of Legacy Corporation, but the sad fact remains that this incident was preventable, and the residents of this neighborhood needlessly suffered. The III FFC hopes that the City of Moline will take this incident into consideration when awarding bids, and that they will opt out of using non-responsible contractors in the future.

The III FFC is committed to informing public bodies about the actions of non-responsible contractors and promoting the benefits of responsible contracting during the bidding process. The III FFC anticipates that this preventable incident will lead to the implementation of more responsible bidding policies, not only in Moline but in surrounding communities as well.

The III FFC will continue to encourage fair contracting in the public construction arena so responsible contractors and skilled workers have ample job opportunities now and in the future.



Andrew Waeyaert  
REGIONAL MANAGER



Top: Moline residents talk about the damage to their home due to sewage backup.  
Bottom: Andy Waeyaert leads news conference in Moline.

# STAFF SPOTLIGHT

## Frank Lucchese

*Construction Analyst*

Frank Lucchese is one of III FFC's newest Construction Analysts, overseeing public construction projects in six counties across Indiana. Frank joined the III FFC in September 2022, bringing a wealth of experience in public service and governance. Prior to joining III FFC, Frank was elected four times as an Elkhart County Commissioner. For 16 years as a County Commissioner, Frank played a pivotal role in overseeing the vital aspects of the county's infrastructure, including roads, bridges, and other critical public works projects.



fostered during his time as County Commissioner, have proven invaluable in his current role.

One of Frank's most cherished aspects of his role at III FFC is the collaborative and positive work environment. Frank enjoys working with III FFC's Indiana Team, emphasizing their welcoming nature and extensive knowledge. This transition to a positive work atmosphere is refreshing for him, especially in contrast to his previous role where he often had to manage challenging interactions with constituents.

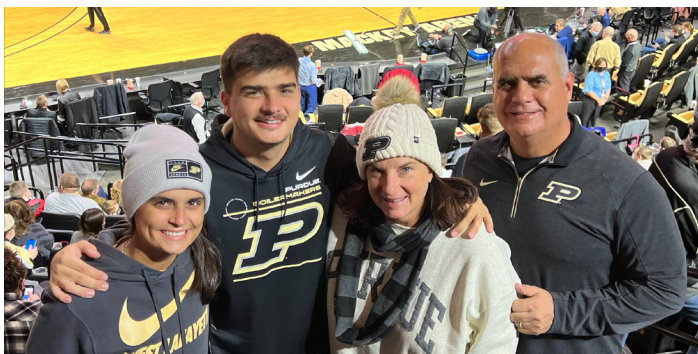
Frank's extensive background in county governance made his transition to Construction Analyst seamless. His smooth transition can be attributed to his familiarity with public bidding procedures, knowledge of industry terminology, and his established network within the local construction and governance spheres. In his previous position, he managed public bids and worked closely with contractors, gaining a deep understanding of the intricacies of the public construction industry. While he had the opportunity to pursue other elected positions within Elkhart County, Frank chose a new professional journey by joining III FFC – a decision he found both refreshing and rewarding.

As a Construction Analyst, Frank monitors job sites to determine whether violations ranging from misclassification of workers to wage violations are occurring. He monitors projects to ensure compliance with federal, state, and local laws. Frank's longstanding relationships with local government officials and public works departments,



Frank underscores the importance of fair contracting in the public construction industry for two significant reasons. Firstly, he is a strong advocate for apprenticeship programs and believes that college is not the only path to success. III FFC's dedication to supporting and promoting apprenticeship programs aligns with his vision for a more diverse and accessible workforce. Secondly, Frank emphasizes the necessity of passing Responsible Bidder Ordinances (RBOs) at the local level to ensure that reliable and responsible contractors are selected for publicly funded projects. This not only guarantees quality work but also promotes accountability in local governance.

Outside of work, Frank enjoys cooking for his wife of 34 years and his two children. His family owned an Italian restaurant for 38 years. Frank's personal and professional journey reflects a commitment to public service, community, and positive change. His role at III FFC is built on a solid foundation of expertise and dedication to advancing fair contracting practices in the public construction industry and we are lucky to have him on staff!





# IMPROVEMENTS IN INDIANA ROAD CONDITIONS LINKED WITH NEW LAWS

Over the past six years, funding for Indiana’s state and local transportation projects has increased by \$1.2 billion annually, the percentage of the state’s road miles considered in “good” condition has nearly doubled, and its percentage of bridges in “poor” condition has shrunk. These improvements were made possible by the passage of three major infrastructure funding bills – HEA 1002, HEA 1001, and HEA 1290 – between 2016 and 2018. The impact of these bills was analyzed in a recent report by the Midwest Economic Policy Institute (MEPI).<sup>1</sup>

Indiana lawmakers boosted taxes on gasoline, special fuels, and aviation fuels by \$0.10 per gallon in 2017, and pegged annualized increases in gasoline and special fuels taxes to inflation through 2024. The special fuel tax was again increased by \$0.21 per gallon in 2018, following the elimination of the motor carrier surcharge tax. As a result, funding increased by \$800 million annually.

To further support the maintenance and modernization of the state’s transportation infrastructure, HEA 1002 increased registration fees on passenger vehicles by \$15, increased registration fees on large vehicles by 25%, and initiated additional fees on electric and hybrid vehicles less reliant on gasoline. The distribution of sales tax on motor fuel was also changed from the state’s general fund to transportation specific funds—creating a larger and more reliable stream of revenues to support future transportation needs. These changes resulted in an additional \$116 million and \$306 million annually.

Looking at road and bridge conditions makes it clear that Indiana is getting what it paid for. Overall road pavement conditions considered to be in “fair” or “good” conditions increased by 5-percentage-points between 2017 and 2021. Furthermore, the percentage of state bridges considered in “poor” condition decreased by 2-percentage-points in the same time period.

Beyond the direct impact on statewide transportation revenues, these laws included a number of measures to enhance the ability of local and municipal governments to directly raise transportation funds through local excise and wheel taxes paid at the time of vehicle registration, and by reforming the state’s Community Crossings Matching Grant Program to enable smaller sized communities to better access state transportation grants.

As of 2022, 54 counties and 13 municipalities across Indiana had adopted local option excise and wheel taxes. Counties with a county wheel tax saw the percentage of “poor” lane miles reduce by a median of 11 percentage points, more than five times the rate of improvement for those without a wheel tax. Additionally, counties with a wheel tax saw the percentage of bridges considered in “poor” condition reduced by a median value of 2 percentage points, double the rate of those without the tax.

While Indiana has taken great strides to invest in transportation to ensure adequate transportation funding for years to come, the key challenge for state and local officials going forward will be to sustain this progress and prevent the emergence of a new costly maintenance backlog. To support these goals, lawmakers should consider extending its inflationary adjustment to fuel taxes beyond 2024 and encourage more local governments to take advantage of the local transportation revenue authority that HEA 1002 has made possible.

1. Mary Tyler. (May 2023). *Indiana Transportation Funding: Analyzing Recent State and Local Government Revenue Changes & Their Reach*. Midwest Economic Policy Institute.

# The Monitor

RAISING THE BAR BY MONITORING  
THE CONSTRUCTION INDUSTRY



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6170 Joliet Road, Suite 200  
Countryside, IL 60525  
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