

April 2012

Government Affairs Report

Christie Administration Reviewing Public Contracting Processes

Governor Christie has ordered a complete review of state purchasing laws and public contracting processes, prompted by a report from Matthew Boxer, NJ's Comptroller, which showed an alarming number of errors and illegal provisions in public contracts at all levels of government. Specifically, in the highest dollar-value bracket of contracts analyzed, \$10 million or more, the report found that one in three contracts broke the laws designed to make governments pick the lowest responsible and fairest bid submitted by private vendors. The NJ Treasury Department has been charged with a complete review of contracting procurement at the state level. Meanwhile, the Department of Community Affairs is simultaneously recommending increased transparency and mandating towns clear major benchmarks on contracting that will ultimately affect how much they receive in state aid. A report will be submitted to the Governor in the coming weeks outlining additional findings and corrective recommendations, some of which can be accomplished through executive order and others through legislation. BCANJ will update members when the report details are made available and engage in discussions with the Christie administration on contracting issues highlighted that are related to construction.

BCANJ Legislative Priorities and Issue/Bill Tracking

Approximately 90 days into the 215th legislative session, BCANJ is poised to promote and advance legislation that assists the contractors we represent and defend against bills that lower the standards of the industry. During the new current session, we will continue to advocate for limiting the naming of subcontractors at the time of bid, allow for third-party construction inspections, and a host of other important initiatives. Below is an updated list of issues BCANJ is actively advancing, defending against or tracking:

- Higher Education Public/Private Partnerships
- Interest on Contractor Retainage
- Higher Education Zoning Issues
- Construction Cost Estimates
- Higher Education Facilities Bond Referendum
- Limit Naming of Subcontractors
- Building Material Escalation
- Design-Build Procurement
- 3rd Party Construction Inspections
- Standardized Bid Forms
- Permit Extensions
- Soil Remediation
- Changes to Prompt Pay Act
- Alternates' Cost
- Increased Bid Bonds
- Limit Number of Bid Copies
- Flooring Tax Disparities
- Business Incentive Programs

New York City Building Dept. Adopts Tougher Crane Regulations for Operators

Following the crane collapse in New York City earlier this month, Mayor Bloomberg's administration announced stricter standards for licensing crane operators. Crane operators working within the city limits will now be required to obtain certification from either the National Commission for the Certification of Crane Operators (NCCCO), or the American National Standards Institute (ANSI). It is important to note that Operating Engineers Local #825 has adhered to these same stringent certification requirements for many years on the NJ side of the Hudson River.

To become licensed, operators must complete a 40-hour training course that covers NYC's construction and safety regulations. All license holders who seek license renewal, required every three years, must also complete an eight-hour refresher course. The experience required for obtaining a license has also been expanded to include direct experience in NYC or a city of comparable urban density.

These new licensing requirements will go into effect 30 days after the rule is officially published in City Record, which could as come early as May 2012. For more information, contact BCANJ or visit www.nyc.gov/buildings.

215th Legislative Directories Available

If you would like a pocket-size legislative directory for New Jersey's 215th Legislature, please contact the BCANJ office.

FY2013 State Budget Debate Continues

The NJ Legislature has been debating the Governor's proposed budget over the past month, and with eight weeks to go before the constitutionally set deadline for the state to have a balanced budget, it does not appear the Democrat-controlled Legislature and the Republican Administration will enter a stalemate and force state government to shut down. However, there are competing interests among the political parties on the best ways to cut taxes, but also on ways to expend state funds.

Highlights of the Governor's budget proposal include: a 10% income tax cut for all NJ residents, phased in over three years; \$350 million for small business tax relief; \$89 million to add a "pay as you go" element to fund the Transportation Trust Fund; and a pledge by the Governor to veto any possible tax increases put forth by the Legislature. In addition, public school funding overall may see an increase, while municipal aid to towns will see a modest decrease in allocated state funds.

On the other side of the aisle, Democratic leadership is looking to include significant property tax relief in this FY2013 budget, offset by a tax on those making \$1 million or more per year. Democrats are also looking for higher-education funding to increase from the Governor's first two fiscal-year budgets. BCANJ has monitored budget hearings and identified budget issues related to construction and infrastructure spending.

For more detailed information, contact Michael A. Travostino, Director of Government Affairs, at the BCANJ office: 732-225-2265.