

2004
Annual Report to the
Governor and Legislature

Project Labor Agreement (PLA) Act
P.L. 2002, Chapter 44
(C.52:38-1 et seq.)

New Jersey Department of Labor and
Workforce Development

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EXECUTIVE SUMMARY

This is the 2004 status report on the monitoring and impact of the Project Labor Agreement (PLA) Act (P.L. 2002, Chapter 44) on public works projects in New Jersey, signed into law on July 25, 2002. The Act specifies that beginning December 31, 2003, an annual report must be prepared by the Commissioner of Labor (and Workforce Development) evaluating the effectiveness of projects utilizing Project Labor Agreements. PLA public works projects must be compared with non-PLA projects related to cost, efficiency, quality, timeliness, skilled labor force and safety, among other items which are found in section 5 of the Act. Information does not exist to perform all of these comparisons, but this report presents the available information. The report is limited to the few projects that have been completed.

The use of project labor agreements in general, and the use of a statewide project labor agreement for the \$8.6 billion school construction program in particular, is a recent occurrence in New Jersey. This report shows that by September 30, 2004¹, there were a total of 70 identifiable construction projects completed since the effective date of the legislation. Twelve projects were completed with a project labor agreement and 58 projects were completed without a PLA. Because of the long planning, permitting, land acquisition and construction time, it will likely take several more years before there may be a sufficient number of completed and truly comparable projects for an in-depth analysis of PLA and non-PLA projects.

Appendix I to this report identifies all 70 public works projects completed between July 25, 2002 and September 30, 2004. It highlights the available information on the project award amounts; the employment work hours by various categories including journey workers, apprentices, females and minorities; and the construction duration and completion timeliness.

In order to draw relevant conclusions as to the award amount costs, the construction duration and completion timeliness of PLA and non-PLA projects, one must be able to compare a sufficient number of similar types of projects. To make meaningful comparisons, the PLA and non-PLA building projects must be equivalent and comparable in terms of location (in the same county/region), approximate size (square feet), type of building (elementary school, high school, municipal building), and mode of construction (new construction, renovation, new addition and renovation), and, for schools, the approximate number of students served.

Since there are an insufficient number of equivalent projects, no conclusions can be reached at this time as to the PLA versus non-PLA differences in the award amounts, as well as the construction project duration and timeliness.

Based on all 70 identified and completed construction projects (schools and non-schools), the employment participation rate attained for minorities slightly exceeds the established county employment goal obligations for both the PLA projects (22.9 percent goal; 24.1 percent achieved) and non-PLA projects (16.8 percent goal; 17.7 percent achieved). The participation rate for females for PLA and non-PLA projects fell below the target percentage of 6.9 percent, achieving only 1.2 percent and 0.8 percent, respectively.

The apprentice participation rate for all projects was 13.0 percent for PLA and 9.6 percent for non-PLA projects.

¹ A September 30 cut-off date allows for the receipt and inclusion of all field reports, information entry and transfer, data analysis, report writing and issuance.

In order to increase the number of women and minorities who would have the academic training needed to enter construction trades apprenticeship programs, the Construction Trades Training Program for Women and Minorities (CTTP-WM) was established. This program began in 2002 and is administrated by the Department of Labor and Workforce Development (LWD). Through January 2005, the CTTP-WM has enrolled 867 students with 558 (64.4 percent) completing the program. Of those completing the program, 155 have entered into an apprenticeship.

INTRODUCTION

On July 25, 2002, Governor James E. McGreevey signed into law the "Project Labor Agreement Act" (PL 2002, Chapter 44). The law authorizes all public agencies (state, county, municipal, others) in New Jersey to include project labor agreements (PLA) in all public works projects for the construction, reconstruction, demolition or renovation of buildings (other than pumping stations and water/sewage treatment plants) at public expense, for which the total cost of the project, exclusive of land acquisition cost, will equal or exceed \$5 million.

Project labor agreements are a form of pre-hire collective bargaining agreements permitted under federal law between contractors, or owners on behalf of contractors, and labor unions in the construction industry. PLAs cover project terms and conditions of employment for construction trade workers, and are often used for major, multi-year construction projects. A standard public works project labor agreement between the Schools Construction Corporation (SCC), the New Jersey Building and Construction Trades Council and several construction trade unions was completed on February 28, 2003.

The PLA Act spells out New Jersey's compelling interest in carrying out public works projects to meet certain beneficial business and public policy performance objectives. PLA projects are expected to advance public interests with respect to cost; efficiency; quality; timeliness of completion; the use of skilled labor; guarantees against strikes, work stoppages, or similar actions; and the effective resolution of jurisdictional and labor disputes. These projects also require contractors and subcontractors to have an apprenticeship program and to implement the set-aside goals for women and minority owned businesses. The Act also requires each agreement to achieve employment and apprenticeship shares for minorities and women in conformance with applicable requirements, as well as to allow the contracting agency or another State agency to monitor the amount and share of work done by minorities and women and their progression into apprentice and journey worker positions.

Starting in 2003, the PLA Act requires the Commissioner of Labor and Workforce Development (LWD) to annually provide an analysis of the effectiveness of all PLAs in meeting these objectives and to compare the performance of public works projects with and without PLAs. The report shall include a review and analysis of the information obtained from the monitoring. Further, the 2006 report shall include an analysis of the overall effectiveness of the implementation of the Act and shall contain recommendations deemed necessary to better effectuate its purpose.

The obligation to evaluate and report on the effectiveness of the PLA Act entails, first and foremost, a considerable data collection effort and a comprehensive retrospective analysis of the many different public construction projects in New Jersey. When LWD research staff began to plan ways to compile the information needed for the annual reports, it was reasoned that it would not be in the best interest of New Jersey to create a new, costly, unfunded, computerized database if LWD could get access to appropriate existing data collection systems at other State agencies. Consequently, various State agencies were contacted to identify the availability and accessibility of suitable operational data collection systems which could serve the needs of LWD. After careful consideration, it was concluded that the New Jersey Department of the Treasury, Division of Contract Compliance and Equal Employment Opportunity in

Public Contracts (DCC) and the Schools Construction Corporation (SCC) could be of valuable assistance as primary data sources. LWD believes that the use of these primary data providers is the best way to systematically, routinely, comprehensively and cost-effectively collect PLA and non-PLA project information.

Neither the DCC nor the SCC tracking system was originally designed with the objective to monitor the implementation of the PLA Act. The DCC database primarily functions as a workforce compliance and equal employment opportunity in public contracts monitoring system. The SCC tracking system mainly serves as a school construction planning and management tool. Therefore, project specific information on safety, strikes, lockouts or other similar actions, specific contractor and subcontractor apprenticeship programs, set-aside goals for minority and women owned businesses, and project performance interests, such as final construction costs, building size, efficiency, quality and timeliness, will not be available.

PRIMARY AND SECONDARY DATA SOURCES

Primary Data Sources

Division of Contract Compliance and Equal Employment Opportunity in Public Contracts, New Jersey Department of the Treasury

The Division of Contract Compliance and Equal Employment Opportunity in Public Contracts (DCC) tracks certain information on all State construction contracts and has become a significant contributor of raw data. To formalize this critical relationship, a Memorandum of Understanding was negotiated and signed on February 11, 2004 between the New Jersey Department of the Treasury, the Office of Information Technology, and the New Jersey Department of Labor and Workforce Development. DCC agreed to modify its tracking forms to include the designation of all projects as PLA or non-PLA. Of great benefit will be their information on the use of minority, female and apprentice employees in public works contracts. If the private construction contractors correctly and responsibly fill out the required reports, it should be possible to analyze this important public policy issue. Appropriate access to the DCC database has been completed. Thus, a crucial step in LWD capabilities to review PLA and non-PLA projects has been achieved.

At the end of November 2004, LWD received electronically the most recent updated information from DCC covering activities through September 30, 2004, which became the cut-off date for the analysis. Several screens and hundreds of individual examinations and queries were subsequently applied to obtain relevant information for 58 projects included in the LWD analysis.

Schools Construction Corporation

On July 29, 2002, Governor James E. McGreevey signed Executive Order No. 24, creating the New Jersey Schools Construction Corporation, as a subsidiary corporation of the New Jersey Economic Development Authority. Executive Order No. 24 (Appendix II) spells out several objectives, with the essential purpose to ensure that the State's \$8.6 billion schools construction program, required by the New Jersey Supreme Court's 1998 Abbott² decision, is implemented in an efficient and timely manner. While Executive Order No. 24 remains in full force, it was amended on February 7, 2003 with Executive

² Abbott refers to the 1998 New Jersey Supreme Court decision finding the State responsible for funding school facilities needs in special needs districts. Today there are 31 special needs districts in New Jersey. All Abbott schools are built with a PLA in effect.

Order No. 47 (Appendix III) modifying the membership of the SCC's Board of Directors, adding the Attorney General to the Board.

The SCC is responsible for financing, designing, and constructing all of the school facilities projects in the 31 Abbott districts (100 percent State funding in these special needs districts without the need for a voter referendum); in districts which receive 55 percent or more in State funding for education; and in the districts that are in level II State monitoring (districts that failed to show sufficient educational progress and are required to develop and implement a remedial plan). All school projects in these districts are implemented under a PLA. In addition, the SCC is responsible for providing grants to fund the State share of school facilities projects approved by the Department of Education in districts with a district aid percentage of less than 55 percent (Section 15 districts³). Those districts which receive less than 55 percent funding may elect to have the SCC undertake the financing and/or construction of their school facilities projects.

In the past, the DCC tracked all public works projects including schools. The monitoring of school projects was transferred to the SCC in November 2003, and the SCC elected to start to develop its own data monitoring system to track all school projects under its oversight. In response to a March 10, 2004 letter from the Commissioner of Labor and Workforce Development to the SCC Chief Executive Officer, the SCC agreed to provide LWD appropriate access to its evolving computerized database. The SCC supplied LWD with pre-sorted raw data on January 20, 2005. Following the application of various edits, 12 projects remained for the LWD analysis.

Other Data Sources

Some information in the 2004 report has been received from other sources, such as literature searches and press releases; telephone contacts and interviews with project owners (boards of education and municipalities), project management firms, architects, construction companies and others.

METHODOLOGY

The overall goal of the extraction and formatting efforts was to exclude all public works projects not covered under the PLA Act. This required the elimination of all projects awarded prior to July 25, 2002, and all projects not completed by the cut-off date of September 30, 2004. Other screens eliminated all pumping stations and water/sewerage treatment plants, as well as all non-buildings, such as roads (improvements, re-surfacing, paving and drainage), tunnels, bridges, and golf courses. Following this, projects with less than \$5 million in estimated total costs were excluded. At the end of this process, there were a total of 70 projects which were organized by project type and by PLA and non-PLA designation.

Identifying a sufficient number of projects with identical or similar characteristics, such as location, type of project (elementary school, municipal building), construction mode (new, renovation or addition) and building size is challenging and is presently not possible.

All Abbott and "55 percent plus" school district projects must be covered by PLAs. Because districts differ with respect to population characteristics and their occupational qualifications and workforce readiness, geographic location cost (urban versus suburban setting, North versus South Jersey) and construction work site environment/logistics (congested inner city versus open suburban space), differences between projects with and without PLAs could certainly be due to factors other than the use of

³ Stipulated in the New Jersey Educational Facilities Construction and Financing Act which became law on July 18, 2000.

PLAs. The difficulty increases with non-school projects where there may be even less similarity among projects.

All information entered into the databases is self-reported and provided by the construction contractors themselves. The information is not audited. SCC and Treasury field representatives may occasionally catch an obvious error and question certain data, but, in the end, the responsibility for and ownership of the information's accuracy and quality rests with the reporting contractors. When pieces of information seem outside the norm, LWD has added explanatory notes to the appropriate places in Appendix I of this report. LWD checks the records and attempts to validate the information.

Since this analysis uses cumulative data, and does not make year-to-year comparisons, inflation adjustments are not considered critical.

PRESENTATION OF AVAILABLE DATA

The data available from the monitoring allows for the following reporting and review.

Use of Project Labor Agreements in Public Projects

By the end of 2003, there were no identifiable public works projects completed under a project labor agreement covered by the legislation. By the cut-off date of September 30, 2004, LWD identified for the purpose of this analysis, a combined total of 70 projects: 12 projects completed by the cut-off date had a PLA designation, and all of the other 58 projects were implemented without a PLA.

Lists of public projects are included in Tables 1 and 2 as well as Appendix I of this report. The list in Appendix 1 is organized by county and contains all information for all 70 identifiable projects falling under the PLA Act which were completed by September 30, 2004. Table 1 shows the participation rates for minorities, women and apprentices. Table 2 contains the project completion data, where available.

The project breakdown by type and PLA/non-PLA designation is as follows:

<u>School Projects</u>	<u>PLA Projects</u>	<u>Non-PLA Projects</u>
New School Construction	7	7
New School Additions	3	1
School Renovation and Additions	2	32
Total School Projects	12	40
 <u>Other Projects</u>		
Student Housing (College/University)	-	5
Library	-	3
Parking Garage	-	2
Science Center/Laboratory	-	2
Sports/Athletic Facility and Recreation Center	-	2
Municipal Complex	-	1
Theater	-	1
Court House Restoration	-	1
Long Term Care Facility	-	1
Total Other Projects	0	18

The statistics show that most owners elected not to use a project labor agreement for their construction projects. So far, only school construction projects in the Abbott districts, under the oversight of the SCC, use PLAs.

Preliminary Findings of Project Labor Agreement versus Non-Project Labor Agreement Projects

The following sections deal with the presentation and discussion of the award amounts, total employment work hours, construction duration and completion timeliness of the 70 identified and completed projects, and the LWD apprenticeship training efforts and results.

New School Project Award Amounts

After examining the 70 completed projects, it was concluded that a PLA versus non-PLA comparison of the award amounts is not possible. The small and dissimilar number of projects in the categories of new schools, school additions, school renovations and additions, and non-school projects, like student housing, libraries, garages and laboratories, precludes a comparative analysis.

The award amount (term used in the DCC database) and the construction award (term used in the SCC database) are essentially synonymous, and can be defined as the dollar amount originally approved by the awarding agency or project owner (e.g., Board of Education, Township, College/University, SCC) at the beginning of a construction project. It is the construction amount awarded to the prime contractors. The award amount does not include the cost of land acquisition; architectural design; engineering; project management; change orders, deviations and upgrades from the original design and construction plan; or cost-overruns. The award amount is not the final, total or complete actual cost of a construction project. The following presentation uses the award amounts because the total final project costs are not available from a key database used.

New School Projects Completed Covered by a PLA

<u>District/Board of Education</u> (County)	<u>Project Name</u>	<u>Award Amounts</u>
East Orange (Essex)	Clifford J. Scott High School	\$10,374,000
Elizabeth (Union)	Early Childhood Center #44	11,377,736
Garfield (Bergen)	Early Childhood Center	8,875,000
Paterson (Passaic)	Panther Academy High School.	8,461,200
Perth Amboy (Middlesex)	Ignacio Cruz Early Childhood Center	11,922,535
Union City (Hudson)	Jose Marti Middle School	24,749,000
West New York (Hudson)	West New York Middle School	29,794,000

New School Projects Completed Without a PLA

Clifton (Passaic)	K-5 Elementary School	\$12,139,881
Freehold (Monmouth)	K-5 Elementary School	15,506,203
Medford (Burlington)	South 70 Elementary School	9,195,828
Newark (Essex)	Belmont Runyon Elementary School*	19,989,000
Plumsted (Ocean)	New Egypt Primary School	6,873,300
Riverside (Burlington)	Riverside Elementary School	6,594,610
Woolwich (Gloucester)	Elementary School	6,609,675

*Non-PLA project in an Abbott district (partial funding provided by the Department of Transportation (DOT) as a part of the I-78 highway realignment)

The seven PLA and seven non-PLA new school projects vary so greatly by location (urban, suburban, north, south), by type of facility (elementary school, middle school), by size, and by number of students served, that a meaningful cost comparison is not possible.

All seven PLA projects were constructed in urban areas of northern New Jersey, while five of the seven non-PLA projects were constructed in suburban southern New Jersey counties. This is significant because of the differences between the prevailing wages in northern and southern counties. For instance, the prevailing hourly wage for a journey electrician in Essex County is \$60.21, but in Gloucester County, the prevailing wage is \$57.96, a 3.9 percent difference. For an ironworker, the prevailing journey worker wage is \$58.68 in Essex County, 12.1 percent higher than the ironworker's wage in Gloucester County (\$52.35).

Additionally, the costs of every aspect of construction generally are substantially higher in urban districts due to factors such as greater costs in material supply handling and delivery, security issues and multi-story versus one floor construction.

Cumulative Total Employment Work Hours

One strength of the data collection systems used is the recording of the total cumulative work hours for the completion of a construction project and the share of the total work hours for minorities, females, and apprentices. The reports further record the total hours worked by job classification, such as journey workers, and, in the case of the SCC, by forepersons. As with the other information, this is also self-reported, provided by the various contractors based on payroll and other records, and is unaudited. For some construction projects, the total cumulative work hours and the work hours for minorities appear unusual and outside the norm. LWD has made appropriate notations to the individual project information sheets in Appendix I. The term minority includes all minority males and all minority females. The category female is defined as all females, minority females as well as non-minority females. In other words, minority females are counted twice in the cumulative total employment statistics: once under females and a second time under minorities. The double count of minority females is inconsequential since their participation rate in the construction trades at the present time is extremely low.

As was mentioned, the lack of a sufficient number of truly similar projects precludes a PLA versus non-PLA analysis as far as the award amounts, the construction duration and completion timeliness are concerned. This is not the case for the participation rates for minorities, females and apprentices. The employment goals do not depend on the type and size of the construction projects, and the county employment goal obligation formula accounts for the differences in location. For these reasons, a comparative analysis has been performed.

The participation rate of minorities, females and apprentices in the construction industry is of interest to many policy decision makers. To evaluate the extent to which minority, female and apprentice workers are included in these construction projects, the following analysis uses two different measurements: the actually achieved participation rate in a project, and, because of substantial county differences in the population composition, the established employment goal obligation for the county in which the project is located.

The projects shown on Table 1, provide insight into the participation rates achieved for minorities, females, apprentices, journey persons and forepersons in all 70 identified and completed PLA and non-PLA construction projects.

TABLE 1

Construction Employment Participation

District/Board of Education	Project Name	Total Project Work Hours	Minority Actual Participation	Minority County Goal Obligation	Female Actual Participation ¹	Apprentice Actual Participation ²
<i>Atlantic County</i>						
Richard Stockton College	Student Housing	35,612	19.7%	20%	0.5%	16.4%
<i>Bergen County</i>						
Demarest	Northern Valley High School	38,335	7.8%	10%	0.0%	6.8%
Franklin Lakes	Colonial Road Elementary School	2,932	2.4%	10%	0.0%	4.7%
* Garfield	Early Childhood Center	55,701	18.3%	10%	0.3%	14.2%
Northern Valley	Old Tappan High School	19,159	23.9%	10%	0.0%	5.9%
Ramapo College	Phase 8 Housing	89,755	16.6%	10%	1.1%	10.5%
Ramapo College	Sports and Recreation Center	113,608	14.0%	10%	0.5%	9.6%
Ramapo Indian Hills	Ramapo High School	85,241	16.8%	10%	0.8%	0.0%
<i>Burlington County</i>						
Institute of Technology	Burlington County Institute of Tech.	120,638	22.1%	16%	1.2%	9.9%
Medford	South 70 Elementary School	20,527	10.3%	16%	4.6%	26.2%
Riverside	Riverside Elementary School	43,557	10.4%	16%	0.2%	17.2%
<i>Camden County</i>						
Berlin	Berlin Community School	42,211	14.7%	16%	0.0%	13.8%
Cherry Hill	Cherry Hill Library	82,899	12.8%	16%	0.5%	14.3%
* Gloucester	Cold Springs Elementary School					
	Early Childhood Center	52,622	11.5%	16%	0.2%	14.3%
<i>Cape May County</i>						
Lower Cape May	Lower Cape May Regional High School	76,284	10.5%	8%	0.0%	14.9%
<i>Cumberland County</i>						
* Bridgeton	Bucksutern Road Elementary School	61,430	17.8%	21%	0.8%	19.6%

District/Board of Education	Project Name	Total Project Work Hours	Minority Actual Participation	Minority County Goal Obligation	Female Actual Participation ¹	Apprentice Actual Participation ²
<i>Essex County</i>						
County of Essex	County Court House Phase 3	51,496	31.8%	42%	7.2%	7.6%
County of Essex	South Mountain Arena Parking Garage	7,246	39.8%	42%	0.0%	1.7%
* East Orange	Clifford J. Scott High School	105,819	47.7%	42%	3.9%	16.0%
Glen Ridge	Glen Ridge High School	32,864	30.6%	42%	0.0%	10.7%
Montclair State University	Alexander Kasser Theater	63,118	20.8%	42%	0.8%	10.7%
Montclair State University	Student Resident Facility	160,994	17.5%	42%	1.3%	6.7%
Newark	Belmont Runyon Elementary School	76,759	25.0%	42%	1.2%	3.8%
North Caldwell	Grandview School	18,120	26.7%	42%	0.0%	2.0%
University of Medicine and Dentistry of NJ	Science Center	19,620	9.8%	42%	4.2%	8.0%
<i>Gloucester County</i>						
Clearview	Clearview Regional Middle School	62,704	14.1%	10%	1.1%	19.0%
Gloucester County Vo-Tech	Gloucester County Institute of Technology	11,351	8.3%	10%	0.2%	8.9%
Rowan College	Student Modular Housing	4,561	70.1%	10%	10.9%	64.4%
Rowan College	Student Townhome Apartment	77,805	7.6%	10%	0.5%	8.7%
Woolwich	Elementary School	31,660	13.5%	10%	0.0%	3.9%
<i>Hudson County</i>						
Community College	Culinary Arts School	42,411	34.6%	38%	0.0%	1.1%
New Jersey City University	University Academy Charter High School	7,420	26.9%	38%	0.0%	0.0%
* Union City	Jose Marti Middle School	101,764	18.8%	38%	0.4%	13.8%
* West New York	West New York Middle School	171,470	23.8%	38%	0.8%	12.5%
<i>Hunterdon County</i>						
Readington	Three Bridges School	15,473	13.0%	5%	0.0%	9.4%
Readington	Whitehouse School	34,422	17.9%	5%	0.0%	8.1%
<i>Mercer County</i>						
Princeton	John Witherspoon Middle School	101,614	13.9%	19%	0.3%	11.8%
Princeton	Princeton Library	21,618	14.1%	19%	0.0%	11.2%
Princeton	Spring Street Garage and Plaza	43,996	12.2%	19%	0.2%	4.4%

<u>District/Board of Education</u>	<u>Project Name</u>	<u>Total Project Work Hours</u>	<u>Minority Actual Participation</u>	<u>Minority County Goal Obligation</u>	<u>Female Actual Participation¹</u>	<u>Apprentice Actual Participation²</u>
<i>Middlesex County</i>						
County of Middlesex	Middlesex County Long Term Care Facility	132,899	21.7%	16%	0.2%	7.3%
Cranbury	Cranbury School	27,744	17.4%	16%	0.0%	4.1%
* Perth Amboy	Ignacio Cruz Early Childhood Center	80,371	29.8%	16%	0.9%	13.9%
North Brunswick	North Brunswick High School	24,157	9.8%	16%	0.3%	8.5%
Rutgers State University	Hale Center	36,652	23.0%	16%	0.3%	8.1%
Rutgers State University	Rutgers Genetics and Biology Material	2,869	0.6%	16%	0.0%	0.0%
Sayreville	Sansel School	50,991	2.7%	16%	1.2%	18.7%
Spotswood	Spotswood Elementary School	41,981	19.0%	16%	0.0%	7.6%
<i>Monmouth County</i>						
* Asbury Park	Bradley Primary Elementary School	50,615	18.7%	11%	2.9%	13.4%
Freehold	Freehold Borough High School	24,603	5.6%	11%	0.0%	12.0%
Freehold	K-5 Elementary School	83,606	28.8%	11%	1.3%	9.8%
Holmdel	Holmdel High School	21,178	12.5%	11%	0.2%	17.8%
Holmdel	Village Elementary School	49,371	24.2%	11%	0.0%	11.0%
* Neptune	New Neptune Early Childhood Center	46,238	17.9%	11%	0.0%	13.5%
Red Bank	Red Bank Regional High School	18,808	4.6%	11%	0.9%	11.5%
Spring Lake	Spring Lake Heights Elementary School	18,561	21.7%	11%	0.0%	2.5%
Upper Freehold	Allentown High School	52,893	16.8%	11%	0.0%	10.4%
<i>Morris County</i>						
Florham Park	Ridgedale Avenue School	27,754	11.6%	7%	0.0%	3.8%
Jefferson	Middle / High School	14,360	4.1%	7%	0.0%	24.1%
Kinnelon	Stonybrook Elementary School	30,152	14.2%	7%	0.0%	6.4%
<i>Ocean County</i>						
Little Egg Harbor	Municipal Complex	9,417	5.3%	6%	0.0%	7.3%
Board of Chosen Freeholders	Ocean County Library	36,366	16.3%	6%	0.0%	6.9%
Plumsted	New Egypt Primary School	42,661	20.6%	6%	0.7%	13.0%

<u>District/Board of Education</u>	<u>Project Name</u>	<u>Total Project Work Hours</u>	<u>Minority Actual Participation</u>	<u>Minority County Goal Obligation</u>	<u>Female Actual Participation¹</u>	<u>Apprentice Actual Participation²</u>
<i>Passaic County</i>						
Clifton	K-5 Elementary School	66,997	12.1%	24%	1.6%	7.2%
* Passaic	Mario J. Drago Elementary School	54,431	22.0%	24%	0.8%	13.4%
* Paterson	PANTHER Academy High School	47,009	26.4%	24%	0.7%	8.8%
<i>Somerset County</i>						
Watchung Hills	Valley View Middle School	26,498	14.2%	8%	0.0%	16.5%
<i>Sussex County</i>						
Newton	Merriam Elementary School	5,874	0.9%	5%	3.4%	8.4%
<i>Union County</i>						
* Elizabeth	Early Childhood Center (Number 44)	116,008	20.7%	24%	1.5%	6.3%
<i>Warren County</i>						
Hackettstown	Hackettstown High School	37,121	57.3%	5%	0.0%	2.5%
Oxford	Oxford Central School	41,958	15.8%	5%	0.4%	15.0%

¹The participation goal for women is 6.9% for all counties.

²There is no participation goal for apprentices.

* Denotes a project covered by a PLA.

The participation rates shown in table 1 are calculated based on the established and well recognized concept of "minority and female employment goal obligation" for construction contractors and subcontractors in the counties in which the construction projects were implemented. Both the SCC and DCC use these goal obligations. The minority and female goal obligation percent numbers for each county are determined by the New Jersey Department of the Treasury, Affirmative Action Office. The methodology takes into account the actual availability status of qualified minorities and females utilizing the 1990 workforce availability Census data for Affirmative Action Programs. The established female employment goal obligation is 6.9 percent for all counties.

**Minority, Female, Apprentice
Participation Rate
(all 70 projects)**

	<u>PLA Projects</u>		<u>Non-PLA Projects</u>	
	<u>Achieved</u>	<u>County Goal</u>	<u>Achieved</u>	<u>County Goal</u>
Minority	24.1%	22.9%	17.7%	16.8%
Female	1.2%	6.9%	0.8%	6.9%
Apprentice	13.0%	-	9.6%	-

Based on all 70 projects, the participation rates attained for minorities, females, and apprentices (minority, female and apprentice total hours worked as a percentage of the total work hours of all employees for the entire project) is higher for PLA projects. However, the minority employment participation goal obligation for the respective counties in which the projects were implemented is 22.9 percent for PLA projects, and 16.8 percent for non-PLA projects. This means that, based on all 70 projects, the actual, weighted minority utilization achieved in both the PLA and non-PLA project categories slightly exceeded the set county goals.

The female participation rates for all PLA (1.2 percent) and all non-PLA (0.8 percent) projects are far below the established State standard of 6.9 percent.

Counting all projects reveals an apprentice participation rate of 13.0 percent for PLA, and 9.6 percent for non-PLA projects.

LWD Apprenticeship Training Efforts and Results

LWD, together with its partner agencies, is actively engaged in the New Jersey Apprenticeship Program to promote and expand registered apprenticeships and other work-based learning initiatives. In addition, through the schools construction initiative, LWD is strongly committed to orientation and outreach activities to promote apprenticeship training for female and minority residents primarily in the Abbott districts.

Since its inception in 2002 through January 2005, the Construction Trades Training Program for Women and Minorities (CTTP-WM) has enrolled a total of 867 students in training with 558 completions (64.4 percent). Of the 558 students who successfully completed the academic training, 155 obtained an apprenticeship, 194 are waiting for apprenticeship testing, 96 others were placed in construction jobs as laborers and the remaining 113 chose other career options or their outcomes are unknown.

LWD continues to meet with all construction trade unions and program operators to encourage their participation and commitment in the recruitment of apprentices and in the preparation of the individuals currently in the training programs.

Construction Duration and Completion Timeliness

The final factor measured for PLA and non-PLA new school construction projects is the construction duration, and in the case of non-PLA projects, the completion timeliness. (See Table 2.) Timeliness data were not available for PLA projects.

The SCC and DCC databases define construction start and construction completion slightly differently.

The SCC's construction start is called "Construction Notice to Proceed" (NTP) and the completion date is called "Substantial Completion." It is understood that it may take a contractor several weeks after receiving the NTP certificate before actually starting work on the construction site. Substantial completion means that the project essentially is completed, but finishing and clean-up activities may still be ongoing. For the DCC, the "Award Date" is used as the official construction start date, even though the contractor may take several more weeks before actually beginning the work. The "Closed Date" is the official construction end date, which usually is recorded at approximately 90 percent of the actual construction completion. Thus, construction duration is the time difference in weeks between the notice to proceed and the substantial completion dates for SCC projects, and the difference between award date and closed date for DCC monitored non-PLA projects.

Timeliness is measured as the difference in weeks between the projected completion date declared at the beginning of a project and the closed date or substantial completion date. Timeliness data is only available for non-PLA projects. Timeliness data provide a measure of how accurate the planners were in projecting the actual construction completion date of a specific project.

There are a myriad of factors that influence the construction duration. Variables such as project size and complexity, permitting, financing, material availability and delivery, change order requests, staffing and available resources, weather, unanticipated circumstances and more, play a crucial role in determining the projected and actual start and completion times of a construction project. Further, authorities with several school projects under construction may shift the priority from one construction site to another to accommodate the school calendar. Due to the disparity and variations in the recorded projects, a PLA versus non-PLA analysis is not indicated. Therefore, we present the results of all 70 identified and completed projects as to their individual construction duration and completion timeliness. The length of time indicated for the construction duration and timeliness are approximations based on how the start and completion dates are recorded. As a consequence, the findings should not be interpreted rigidly.

TABLE 2

Construction Durations and Completion Timeliness

<u>District/Board of Education</u>	<u>Project Name</u>	<u>Construction Duration (Weeks)</u>	<u>Timeliness</u>
<i>Atlantic County</i>			
Richard Stockton College	Student Housing	61	8 weeks early
<i>Bergen County</i>			
Demarest	Northern Valley High School	74	31 weeks late
Franklin Lakes	Colonial Road Elementary School	74	17 weeks late
* Garfield	Early Childhood Center	50	NA
Northern Valley	Old Tappan High School	68	3 weeks late
Ramapo College	Phase 8 Housing	86	26 weeks late
Ramapo College	Sports and Recreation Center	89	11 weeks late
Ramapo Indian Hills	Ramapo High School	86	On Time
<i>Burlington County</i>			
Institute of Technology	Burlington County Institute of Technology	143	47 weeks early
Medford	South 70 Elementary School	61	On Time
Riverside	Riverside Elementary School	46	10 weeks early
<i>Camden County</i>			
Berlin	Berlin Community School	86	27 weeks early
Cherry Hill	Cherry Hill Library	72	11 weeks late
* Gloucester	Cold Springs Elementary School		
	Early Childhood Center	86	NA
<i>Cape May County</i>			
Lower Cape May	Lower Cape May Regional High School	96	13 weeks early
<i>Cumberland County</i>			
* Bridgeton	Buckshutem Road Elementary School	92	NA
<i>Essex County</i>			
County of Essex	County Court House Phase 3	48	8 weeks early
County of Essex	South Mountain Arena Parking Garage	43	43 weeks early
* East Orange	Clifford J. Scott High School	48	NA
Glen Ridge	Glen Ridge High School	62	1 week late
Montclair State University	Alexander Kasser Theater	82	1 week early
Montclair State University	Student Resident Facility	45	5 weeks late
Newark	Belmont Runyon Elementary School	64	10 weeks early
North Caldwell	Grandview School	57	4 weeks late
UMDNJ	Science Center	70	39 weeks early
<i>Gloucester County</i>			
Clearview	Clearview Regional Middle School	70	9 weeks late
Gloucester County Vo-Tech	Gloucester County Institute of Technology	52	53 weeks late
Rowan College	Student Modular Housing	6	2 weeks late
Rowan College	Student Townhome Apartment	45	7 weeks early
Woolwich	Elementary School	43	5 weeks early

<u>District/Board of Education</u>	<u>Project Name</u>	<u>Construction Duration (Weeks)</u>	<u>Timeliness</u>
<i>Hudson County</i>			
Community College	Culinary Arts School	52	17 weeks late
New Jersey City University	University Academy Charter High School	23	10 weeks late
* Union City	Jose Marti Middle School	99	NA
* West New York	West New York Middle School	99	NA
<i>Hunterdon County</i>			
Readington	Three Bridges School	42	25 weeks early
Readington	Whitehouse School	61	9 weeks early
<i>Mercer County</i>			
Princeton	John Witherspoon Middle School	91	4 weeks late
Princeton	Princeton Library	87	NA
Princeton	Spring Street Garage and Plaza	65	18 weeks early
<i>Middlesex County</i>			
County of Middlesex	Middlesex County Long Term Care Facility	91	4 weeks late
Cranbury	Cranbury School	80	30 weeks late
* Perth Amboy	Ignacio Cruz Early Childhood Center	85	NA
North Brunswick	North Brunswick High School	70	13 weeks early
Rutgers State University	Hale Center	72	42 weeks early
Rutgers State University	Rutgers Genetics and Biology Material	57	1 week late
Sayreville	Samsel School	91	4 weeks early
Spotswood	Spotswood Elementary School	56	2 weeks early
<i>Monmouth County</i>			
* Asbury Park	Bradley Primary Elementary School	79	NA
Freehold	Freehold Borough High School	35	6 weeks late
Freehold	K-5 Elementary School	73	25 weeks late
Holmdel	Holmdel High School	82	26 weeks late
Holmdel	Village Elementary School	90	5 weeks late
* Neptune	New Neptune Early Childhood Center	51	NA
Red Bank	Red Bank Regional High School	66	3 weeks late
Spring Lake	Spring Lake Heights Elementary School	87	19 weeks early
Upper Freehold	Allentown High School	85	On Time
<i>Morris County</i>			
Florham Park	Ridgedale Avenue School	35	18 weeks early
Jefferson	Middle / High School	66	10 weeks early
Kinnelon	Stonybrook Elementary School	47	8 weeks late
<i>Ocean County</i>			
Little Egg Harbor	Municipal Complex	71	19 weeks late
Board of Chosen Freeholders	Ocean County Library	89	5 weeks early
Plumsted	New Egypt Primary School	51	10 weeks early

<u>District/Board of Education</u>	<u>Project Name</u>	<u>Construction Duration (Weeks)</u>	<u>Timeliness</u>
<i>Passaic County</i>			
Clifton	K-5 Elementary School	92	12 weeks early
* Passaic	Mario J. Drago Elementary School	81	NA
* Paterson	PANTHER Academy High School	69	NA
<i>Somerset County</i>			
Watchung Hills	Valley View Middle School	55	32 weeks early
<i>Sussex County</i>			
Newton	Merriam Elementary School	56	4 weeks late
<i>Union County</i>			
* Elizabeth	Early Childhood Center (Number 44)	69	NA
<i>Warren County</i>			
Hackettstown	Hackettstown High School	91	4 weeks early
Oxford	Oxford Central School	82	22 weeks late

*Denotes a project covered by a PLA

2005 REPORT OUTLOOK

It is anticipated that over time more and more different types of public construction projects falling under the PLA Act will be completed. This will enhance the chances that in the next several years an analysis of the effectiveness of PLAs in meeting certain public policy objectives, and a comparison of the performance of public work projects with PLAs and without PLAs based on a sufficient number of truly equivalent projects is more likely. This would allow LWD in the future to report on the overall effectiveness of the implementation of the Act, and to make recommendations regarding legislation to make changes to strengthen the program and to better effectuate its purpose.

The number of completed school projects is expected to increase in 2005 and 2006. According to the SCC as of September 30, 2004, they had entered into 417 construction contracts for a total of \$1,939,936,974. Also, the SCC has entered into 262 design contracts with a total value of \$329,158,231, and assumed an additional 74 architectural assignments that total \$98,161,241. Furthermore, the SCC has entered into 1,132 site acquisition contracts for appraisals, site evaluations, environmental investigations, title services and actual acquisitions totaling \$246,900,456.