

**NORTHERN NEW JERSEY NIGP
MINUTES OF THE REGULAR MEETING – SEPTEMBER 15, 2016
THE IMPERIA CONFERENCE CENTER, SOMERSET NEW JERSEY**

The meeting was called to order at 9:38 AM by President James Jorgenson. After the flag salute, a moment of silence was observed. New guests were welcomed and self-introductions were made by the attendees. There was a joint motion to approve the Treasurers Report and the previous meeting's minutes.

OLD BUSINESS

Gail Catania was appointed to the Chapter 7 Legislative Committee. The President thanked Cindy Lea Weber, who previously served on this committee, for her service.

GUEST SPEAKERS

Kathi Cupano, Rutgers Center for Government Services

Course enrollment is very strong. Enrollment is up 7% overall and enrollment in the Purchasing I class is up 23%. The 2017 Purchasing Conference will be held on May 3rd & 4th. The venue has been changed to the Golden Nugget. Volunteers are needed and were encouraged to sign up or speak to Kathi Cupano or other conference committee members. Topics will include Ethics, Bid Challenges, Social Media, Good and Services Bid Specs, Bonding & Green Purchasing. There will be a new process for sign in sheets.

Dave Nenno, Retired, Division of Local Gov't Services & Local Finance Board

Mr. Nenno's topic was "Foundation and Pillars of Government Ethics". He stated that for public servants in New Jersey, the moment of truth is every moment. He recommended the book 'Seven Habits of Highly Effective People' by Stephen Covey to the attendees. Three words that he believes every public servant should remember are: Honor, Respect and Integrity.

Integrity was described as an unimpaired condition... "My word is my word". A person with integrity will be loyal to those not present. All workplaces have an ethical culture or climate and your beliefs must line up with your actions. You must have convictions-what will you do if you are tempted? Mr. Nenno then presented his Pillars of Government Ethics:

Pillar No. 1

Trust: Public Office and Employment are a public trust. Trust is the reliance on the integrity, character and ability of another. You should trust until you have a reason to not trust.

Pillar No. 2

Honor: A distinguished reputation for truth, fairness and humility. Be what you pretend to be.

Pillar No. 3

Duty: A moral commitment compelling one to serve others and complete the duties of their office. Lose yourself in the service of others. He talked about his work experience in Camden and visiting “George” in a nursing home, where he initially was not happy about having to make the visits, but grew into the ‘duty’ of it. The Duty Pledge for public servants is as follows: Make future decisions in the best interest of the community and to complete the tasks associated with your government office and position.

Pillar No. 4

Respect: Esteem others better than yourself. Seek first to understand and then be understood. Use the Golden Rule: Do unto others as you would have them do to you. The Pledge: I will treat all others with dignity and respect regardless of how I am treated.

Pillar No. 5

Transparency: If an appearance of conflict exists don’t do it. The Transparency Pledge: Conduct government business as if your behavior is under constant public scrutiny. Mr. Nenzo discussed Financial Disclosure Statements and what needs to be disclosed. He also gave some examples of situations that could be perceived as conflicts of interest:

- The City Treasurer who is also a golf enthusiast is invited to attend a golf outing thrown by a city towing contractor.
- A councilman requests that flyers promoting something in his interest be put in employees payroll envelopes

The bottom line is don’t do it, don’t go and just say no.

He concluded his presentation with this final thought: For the public servant in New Jersey, the moment of truth is every moment, especially for those with fiduciary responsibility.

John Donnadio, New Jersey Association of Counties (NJAC)

The NJAC represents the 21 counties in New Jersey. Four counties have filed a Notice of Claim against the state regarding the impasse in the Transportation Trust Fund. The counties maintain every bridge in the state. One possible resolution being debated in Trenton is to increase the gas tax while dropping the sales tax and estate tax. However, this would take a big chunk out of the State’s operating revenue. Other issues he reported on were Criminal Justice Reform in 2017 which will cost counties \$40-\$45 million; \$1.2 billion in 911 fees were diverted from county and municipal governments their intended recipient; counties can now pay their bills through electronic funds transfer.

Before introducing the next speaker, the President took a moment to acknowledge all the professional associations/groups in the room attending today’s meeting:

- New Jersey Association of County Officials
- Southern NJ NIGP
- GPANJ

Missy Mastell, CPA, CGMA-Telephone Bill Auditing

A case study regarding Essex County, the 14th most densely populated county in the U.S. was presented. In 2012, the county wanted to move from a Centrex system provided by Verizon and implement a VOIP system with the goal of saving \$45,000 monthly. There were many issues with the subsequent transition and implementation and expected cost savings weren't been seen. The county then put out an RFP to help with their phone system. Ms. Mastell stated that as technology is changing rapidly, a dedicated person is needed in house (be it from IT or Purchasing) to interface with Verizon, with the objective of striving for efficiency in telecommunications. Her firm was hired to validate and vet the situation that was happening and reduce duplicity in the 2 systems. To accomplish this, they performed a phone line inventory, circuit review, CSR and traffic study. This told them what was and wasn't valid. After obtaining a valid inventory, they were able to do a competitive market analysis to tell the county what this inventory should cost. Her firm also did a Refund Analytics to determine how long they had been overcharged. As a result, the phone bill went down from \$40K to \$20K and credits of over \$113,000 were identified. 244 lines were being billed even though there were only 144 real lines.

In an RFP for this type of work, the scope of work should specify performance of a forensic audit of the phone bills for a not to exceed lump sum amount. In the case study presented, since cost savings resulted from the audit, it was also a good 'press' opportunity for the Purchasing Department.

The President added some final thoughts on the subject, stating that a Purchasing Agent's job entails the added responsibility of looking out for any disadvantages to taxpayers and that he felt it was his job at the time as the Purchasing Agent in Essex County to fix, rather than ignore, a situation that was, in fact, an obvious disadvantage to the taxpayers.

Kevin Triplett, Section Chief at NJ Department of Labor and Workforce Development

Mr. Triplett discussed prevailing wage on public works projects. There are 2 thresholds above which prevailing wage rates must be paid: \$15,444 for municipalities and \$2,000 for all others. When bidding you are not required to provide the contractor with the rates. The contractor and named subs must be registered with the state at the time of the bid opening. No one is exempt from prevailing wage, even if it is a one man shop. Typically the Department will get complaints from unions or employees that prevailing wage is not being paid. The total cost of the project to determine if prevailing wage threshold is met is based on both material and labor.

In awarding a contract, it is important to not only check the debarment list when the bid is received but also when the contract is signed. The debarment list also includes individuals/owners names. If an individual is debarred they are not allowed to do any work for a company performing a public works job. You can renege on the contract if you find this out and should notify the Department of Labor. They won't stop your project.

Possible reasons for debarment include not cooperating with the Department of Labor and not paying prevailing wage. The debarment term is 3 years and applies to the company and any principals. The term revocation pertains to licenses only and the time period is up to 5 years.

When a contract is awarded there must be prevailing wage language in your contract-if the contract is the purchase order, the language should also be on it. Regarding maintenance contracts and their applicability to prevailing wage it depends on what they are doing. If the size, shape and structure doesn't change it's not subject to prevailing wage. However, if the maintenance could result in repairs being needed you should tell the contractor that it is potentially a prevailing wage project. Landscape services and tree trimming are only subject to prevailing wage if they are tied to a larger project. Regarding the Purchasing Agent's role, our involvement is just to collect the certified payrolls and keep them. The State does not get them and an original signature is not required by law. Projects funded by Federal Grants required Davis Bacon language and both sets of rates. Contractor is required to pay the higher of the two. If the project exceeds the prevailing wage threshold after the fact, it would then be retroactive.

NEW BUSINESS

- The next meeting will be held on December 8th. Shannon Hudak and Joe Valenti will be the guest speakers.
- There is a change coming to the Stockholder Disclosure Form which should be disseminated eventually. Another box will be added to the form to indicate if the business is a publicly traded company

The President thanked everyone for their attendance at the Joint Purchasing Professionals Meeting.

The meeting was adjourned at 2:41 PM.

Next Meeting Date: December 8, 2016 at 10 AM.

Respectfully Submitted,
Mary Richers