
Public Hearing

before

SENATE LABOR COMMITTEE

“Examine the problems faced by minority contractors in obtaining the bonding necessary to enable them to bid on certain public works projects; and will focus on the Bonding Assistance Program created by the New Jersey School Construction Corporation”

LOCATION: Mary McLeod Bethune
Community Center
Jersey City, New Jersey

DATE: April 28, 2004
6:00 p.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Stephen M. Sweeney, Chair
Senator Glenn D. Cunningham, Vice Chair
Senator Joseph Coniglio



ALSO PRESENT:

Assemblyman Louis Manzo

Dana A. Fraytak
Office of Legislative Services
Committee Aid

Adam J. Sabath
Committee Aide
Senate Majority

Laurine Purola
Committee Aide
Senate Republican

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SENATOR STEPHEN M. SWEENEY (Chair): We're going to call this meeting to order. I'm going to ask Senator Cunningham/Mayor Cunningham if he would like to open the meeting up, and then come back to me.

Senator.

SENATOR CUNNINGHAM: Thank you very much, Senator.

Ladies and gentlemen, welcome to the Mary McLeod Bethune Community Center, and thank you very much for coming out this evening. I really appreciate it. I'd like to begin by thanking my colleagues who serve with me on the Senate Labor Committee -- and that's our Chairman, Mr. Steve Sweeney, to my right; and Senator Joseph Coniglio, to my left; and we also have staff members from the Labor staff committee. That's Mr. A. J. Sabath, the handsome young man in the middle of the two beautiful ladies; and there's Dana Fraytak. Dana is the counsel, the attorney, for the Office of Legislative Services, and she has her assistant here, Cristi-- Cristi, I'm sorry, I don't know Cristi's--

MS. FRAYTAK (Committee Aide): Cameron.

SENATOR CUNNINGHAM: Cameron. Thank you.

I want to thank all of the Senators and members of the State employees who are here today.

When I first became a Senator, I was fortunate enough to be placed on the Labor Committee, because of my great interest in making sure that local minority contractors do benefit from all of the development that's going on in Jersey City.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Here, here.

SENATOR CUNNINGHAM: Can't hear? Who said that -- Steve?

UNIDENTIFIED SPEAKER FROM AUDIENCE: I said, "Here, here." (laughter)

SENATOR CUNNINGHAM: Oh. (applause) I'm sorry, Steve. I thought you said, "I can't hear." Okay.

There's more than \$2 billion worth of development going on in Jersey City, as we speak. There's about a billion dollars worth of school construction about to take place over the next several years in Jersey City, and we want to make sure that everyone has an opportunity to participate and get jobs and contracts in that field, and that the entire community benefits from it. I feel very, very good about the people here with me this evening.

First of all, they made my entry into State Government a very easy one. These are my big brothers. I think I might be older than both of them, but they were there first, so these two Senators are my big brothers. We also have great support from the other two members of the Committee, Mr. Kavanaugh and Mr. Littell, who are not here at this time due to a very important engagement that they had to participate in. But I do want you to know there are five members on the Committee: There are three Democrats and two Republicans. So if you do your counting, you'll see three wins out of five. So we've got enough Democrats on that Committee, the Labor Committee, to ensure a positive impact on this community and every other community, through the State of New Jersey, that's struggling to be part of the great progress that's taking place in this state.

One of the first things that we voted on when I became a Senator on the Labor Committee was the project labor agreements. That was a very

good thing for labor in general, but I was getting some queries and concern about the direct impact that it had on minorities. It was Mr. Sweeney's suggestion, "Mayor, have no fear. We're going to work very closely with you as a Committee. We're going to reach out to community and hear what they say. We're going to find out what those barriers are, and then we're going to implement new laws that could make things better." And I didn't have to wait six months, or a year, or two years for him to follow through with that promise. It was within a week or two, he said, "Let's go into Jersey City." We're going to go into two parts of the state -- Jersey from the northern area of the state, and we'll go probably further south towards the Gloucester County -- hopefully, somewhere like that -- in the lower part of the state. Within a month of him promising to set up this meeting, we're here.

So I would like to start out by giving a great applause of appreciation to my colleagues who are on our side. (applause)

At this point, I'm going to turn the meeting back over to our Chairman, Mr. Sweeney.

SENATOR SWEENEY: Thank you.

Thank you, Senator.

Thank you for your hospitality.

Senator Cunningham, as he said, when he first came to the Senate Labor Committee, one of his first initiatives was -- he said, "My people, my contractors aren't getting a piece of the pie." And I understand that. So that's why we're here today, to find out what some of the problems are. We think we know bonding is one of the bigger problems, and we have a pretty impressive list

of individuals that are here today to discuss it, and then we're going to get some feedback from individuals.

We have a lot of people here, and we're going to try to move this thing along as quickly as possible. So we're going to try to limit everyone to about three minutes. And again, we have a lot of different officials from different authorities, from the State of New Jersey to discuss some of the problems that exist. But again, we are here at the urging of Senator Cunningham, because he feels very strongly in this position, as we do in this Labor Committee. This is about everybody getting an opportunity. And we have not performed up to where we should be, as far as minority and female contractors -- getting a piece of the billions of dollars in State construction.

So with that--

Senator Coniglio, do you want to add anything, or do you want me to start?

SENATOR CONIGLIO: No. You're doing a fine job, Senator.

SENATOR SWEENEY: Thank you.

I am going to be calling up-- Again, we have somebody who will be keeping time, but I'll be calling up the different witnesses that we're going to ask questions to. We have slips. If anyone has testimony, if you could please -- anyone has written testimony, if you could please bring it up here so--

MS. FRAYTAK: Dana.

SENATOR SWEENEY: --Dana can distribute it to the members.

I just want to recognize Maureen Graham. She's here for the Commissioner of Labor. Maureen for Albert Kroll, Commissioner of Labor,

Albert Kroll, Department of Labor. Is Maureen here? Maureen is here. Like I said, she's here to take notes.

Next, I'm going to recognize and call up Greg Adkins for Secretary William Watley, Commerce and Economic Growth Commission.

MS. FRAYTAK: If you could all just bring your testimony up when you come up to speak. That would be better.

Thank you.

SENATOR SWEENEY: That would be helpful, yes. She's got me straight.

GREGORY ADKINS: Good evening, ladies and gentlemen, Chair, members of the Committee. I want to thank you for this opportunity to offer testimony on behalf of the New Jersey Commerce and Economic Growth Commission and its Small Business Development Office. Margie Greene, our Director of Small Business Development, is here also. The office is responsible for implementing the current race/gender-neutral, small business set-aside program in New Jersey.

There are 4.3 million in the labor force in New Jersey; 4.1 million employed, and 247,000 unemployed. There are 654,000 businesses in New Jersey, 263,000 of which have paid employees. If we can get each of these businesses to create just one additional job, we could have full employment in New Jersey. Our responsibility at New Jersey Commerce is to do just that -- to make it easier for businesses to add additional jobs and additional employment in New Jersey.

Of these 263,000 businesses that have paid employees, nearly 95 percent are small businesses; 102,000 are minority businesses; and 155,000 are

women-owned businesses. There are 10,212 small businesses, minority-owned businesses, and women-owned businesses certified or registered with New Jersey Commerce, currently, to participate in the set-aside program.

In September of last year, when speaking to a large group of these business owners, we were lamenting the fact that only 900 small businesses had registered at that time. Since then, we've seen a tremendous spike in registrations -- 1,400 in the month of March alone. Many private corporations, Federal, and local government entities are still giving preference to minority-owned businesses and women-owned firms.

Of the total firms on our list, 10 percent are African-American owned, 6 percent are Hispanic owned, 10 percent are Asian owned, and less than 1 percent are Native American owned. Twenty-three percent of the businesses registered with us are women owned.

We are also responsible for monitoring the performance of 57 State agencies with regard to the set-aside program for small businesses. Governor McGreevey's Executive Order increased the minimum percentage of small businesses that have to be given work by public agencies to 25 percent. In the first nine months of the current fiscal year, with only 18 of the 57 total agencies reporting thus far, small businesses registered with New Jersey Commerce have received \$79 million in goods and services purchases and construction contracts.

During the past year, Small Business Development Centers, provided with a \$500,000 annual grant from New Jersey Commerce, have provided 7,255 one-on-one counseling sessions for small businesses, 915

workshops, with a total of 17,870 attendees, to assist businesses and getting business from State government.

New Jersey Commerce alone has had 63 total events or workshops geared to small businesses in an effort to help them get more of their share of State contracting business. However, despite these efforts, we still hear frequent complaints from small business about their relationship with and their opportunities, or lack thereof, of getting business from State agencies. And the most frequent complaint we hear is that small business owners, who have attempted to compete for public works construction jobs -- is the difficulty in getting pre-qualified to bid on those jobs, on school construction work specifically.

Small businesses reported experiencing delays, of six months to one year, completing the process of being approved by the Office of Government Integrity in order to bid on school construction jobs. One small construction firm owner quipped to us, "By the time we make it through the review conducted by the Office of Government Integrity, all of the new schools will have been built, and there will be no work left for us."

New Jersey Commerce has increased its outreach to minority businesses and women business enterprises to help them grow using the myriad incentives available to us.

As for specific recommendations, the number one recommendation we would have, based on owners' reported complaints to us, is that for construction contracts under \$1 million, the review by the Office of Government Integrity should be eliminated. Incentives should be offered to encourage joint ventures and collaborations for small businesses to join forces, in order to form

teams of higher capacity and greater bonding power, in order to compete for the contracts that are available.

We are doing very well with regard to the Executive Order and the 25 percent minimum requirement for small businesses on the goods and services purchase side. Forty-one percent of the total amount awarded by State agencies has gone to small businesses, under the reports provided to us.

On the construction side, we are not fairing as well. Only 15 percent of the total amount spent in construction dollars by State agencies, year to date, have gone to small businesses.

We have provided additional information to the Committee we would like entered into the record, including a procurement diversity work plan, which includes extensive information and the detailed reports, the statistics from which I have quoted for you this evening.

We would be happy to answer any questions going forward, and we continue to work with the Secretary of State's Office on the completion of the disparity study investigation and report.

Thank you very much. (applause)

SENATOR CUNNINGHAM: Just one point. I believe, with the disparity study, there's some problems with that, in that some of the information we're trying to get for that study we can't get, because of privacy requirements. I think there's some State legislation that Senator Sharpe James, I believe, is primarily sponsoring. I'm sorry, we talked about that today at our Budget and Appropriations Committee. Senator Wayne Bryant and myself might be prime sponsors to try to bring that law into accord, so that we can get

that information. But right now, it looks like we're having problems finishing up that disparity study. I agree with that.

MR. ADKINS: I'm hopeful that there would be a representative of the Secretary of State's Office to comment on the Disparity Study Commission report for you, but the information we have available to us at the last meeting was that a report will be issued on the construction study, and that one is very near completion on the goods and services purchase study. But there is some difficulty obtaining race and gender information on the contracts awarded, because not everyone is interested in providing the information in order to identify themselves by race or ethnicity. Because, quite frankly, Mr. Vice Chairman, there are members who believe -- small business owners who believe that once they identify themselves by race or ethnicity, it limits the amount of future contracts they will be awarded.

SENATOR CONIGLIO: Oh. How do we eliminate that problem?

MR. ADKINS: The New Jersey Commerce Commission, as part of our responsibilities, is developing a blind numbering system for small businesses registered with us, that in the future we'll be able to identify, for us, race or ethnicity from the reporting criteria that we cull from the 57 State agencies; but will not identify for the agencies the race or ethnicity of the vendor, so that the vendor-selection process will still be blind. But that in the reporting, we would be able to identify the percentage of those contracts that are going to small businesses categorized by race or ethnicity, and gender.

SENATOR CUNNINGHAM: Thank you, Greg.

SENATOR SWEENEY: Thank you.

MR. ADKINS: Thank you very much.

SENATOR SWEENEY: Next, we're going to have Margie Greene, Director of New Jersey Commerce, Economic Growth. Margie? You're not? Okay. Thank you, Margie.

Is Steve Sutkin here for the Department of Treasury -- Construction Department of Treasury?

STEVEN M. SUTKIN: Thank you, Senator.

Senator, I wanted to offer testimony concerning our Division. I work in the Division of Property Management and Construction in the Department of Treasury. And what many people may not know is, we pre-qualify contractors and consultants, and our list is used by the Schools Construction Corporation. So we're the first step in the process. Many people may not know about it. We are on the State's Web page in the Department of Treasury, Division of Property Management and Construction. Also, if anybody wishes to call -- 609-984-9701 -- that's the first step to getting into school construction or State construction, which we also do for the various State departments.

Since the Schools Construction Corporation's program is the more robust program -- so many billions of dollars -- people may not have heard about our program. We also do construction on correctional facilities, human services facilities, psychiatric hospitals, Marie Katzenbach School for the Deaf, some State colleges -- so there's other opportunities besides the school construction program out there. And we invite you to visit our Web site to see what we have on there in terms of projects going out to bid.

Typically, on our pre-qualification process -- we turn it around for contractors -- we turn it around in eight days. That's the standard we have.

And for consultants, it may be one to two weeks, because there's some subsequent investigation that we need to make.

So I'm available if anyone has any questions.

SENATOR SWEENEY: Steve, I have a question. Is there-- I am sure there are-- I know there are minority contractor organizations throughout the state, women and female besides. Commerce -- this is where government can work with government. If they could get a list -- that they could put that notice out. If we could notice contractors what's available, because sometimes government -- the right hand doesn't talk to the left at times. But, excuse me, sir, we're going through this.

But if we could work with the government, because Commerce has a list of minority contractors, and maybe the State could send out a notice on how they could pre-qualify. Because not everyone is computer literate and not everyone has a computer -- has the availability to a computer. So if we could do that, I think that would be a great step forward.

MR. SUTKIN: Absolutely. We will. We worked with Commerce on the regulations, and we've attended various meetings. We've referred contractors, and some of our procurements, to go and make sure that they go and get registered with the Department of Commerce. Because there is a lot of different departments that a new organization, a new company, has to go to -- the Department of Labor, the Division of Property Management and Construction. It could be daunting. But if they call the number -- and I'll give it again: 609-984-9701 -- we'll be happy to help.

SENATOR SWEENEY: Again, and Steven, if we can--

ASSEMBLYMAN MANZO: Repeat that number again?

MR. SUTKIN: 609-984-9701; and I have cards if anybody wants.

SENATOR SWEENEY: If you could leave some on the table, Steve, we'd appreciate it, before we're done.

MR. SUTKIN: Absolutely.

SENATOR SWEENEY: And again, this is an opportunity where government-- I know they talk to each other, but the more we communicate-- Normally, government is great at having programs. They're just not real good at letting people know about them. So the more we can communicate with the public and the organizations that are set up-- And I know there's some cooperation, but more outreach to these organizations and groups, I think the more response we'll get back.

So, again, if we can get something back in the future. If there's any communication, what we can do to move forward with Commerce.

MR. SUTKIN: We're happy to do it, Senator.

SENATOR SWEENEY: Thank you, Steve.

Anyone else have any questions? (no response)

Also, Assemblyman Manzo has joined us.

Thank you, Assemblyman.

ASSEMBLYMAN MANZO: Thank you, Senator.

SENATOR SWEENEY: Thank you for coming tonight.

Next, we're going to have Jerry Gibbs -- will have a replacement. Is Jerry Gibbs's replacement here? Or they replaced Jerry Gibbs's replacement, I guess.

Barbara Bohi, New Jersey School Construction Corporation.

BARBARA BOHI: Good evening, Mr. Chairman, members of the Committee. Thank you so much for inviting us to testify this evening on the Schools Construction Corporation's Bonding and Working Capital Program. It's a real success story already, just six months out of the box.

Let me just preface my comments by saying that, insofar as the pre-qualification process is concerned, the Schools Construction Corporation has a one-stop shop on its Web site, where a contractor or consultant can go and get all the information they need to pre-qualify with any of the State agencies. They can actually download the forms there, as well. Let me give you that Web site: It's *www.njscc.com*.

We also have an arrangement with the Small Business Development Centers. There are 11 regional centers throughout the state. And any contractor or consultant can drop in and get one-on-one assistance with the paperwork. We also have free contractor training programs, and I have the locations and the contact name and numbers for anybody here that's interested. I have a flyer with me this evening which provides free training on lots of skills running a business, back office support, and that sort of thing, as well as the pre-qualification process.

But I'm here this evening to share some very good news with you. As you know -- well, let me just back up and say -- the SCC is charged with managing the State's \$8.6 billion school construction program. So we're managing all of the school construction in the 30 Abbott districts, including Jersey City, and then approximately 20 additional school districts throughout the state that receive a higher percentage of their State aid -- their education aid from the State. So we have a massive business that we've implemented.

Our Office of Diversity, which is now a separate division of the SCC, reflecting our strong commitment to minority and women-owned firms and workers, is charged with managing all of our diversity programs. They have been integrated together, one of which is the Bonding and Working Capital Program. It was started in November of last year. And in the less than six months that it's been active, we have 13 bond programs that have already been placed, totaling more than \$11 million.

The SCC's bond program is really, truly unique. And so I want to outline that for you. It's been designed to be more than a Band-aid approach, more than just a funding source for contractors. We recognized when we were first developing the program that there were many support and technical services that contractors needed in order to be bond ready. And so this Bonding and Working Capital Program provides an extensive list of these technical support services, in addition to providing the agency for bonding and, also, working capital. So let me go through those services for you.

The business and financial planning that we offer -- and of course this is all free of charge -- is, for every contractor we develop a business plan that includes meeting the industry benchmarks and establishing improved, internal project management and administrative procedures. This is to position the client so that they're bonding-ready. This is the most important area, we think, based on the difficulties that we heard from contractors throughout the state -- was their difficulty with accounting and job costing. Many times the smaller contractors bid to win, and they underestimate what the job is actually going to cost them. It throws them into a downward spiral as they find it more and more difficult to meet their payroll. This was one of the serious disadvantages we

wanted to address right up front with our program. So the contractors receive this training in accounting and job costing.

We also offer a separate -- a subconsultant that's linked with the program. It's a -- Contractors Solutions, and it's managed by Bill Brooks, who is a veteran in the contractor-training area. And this is for credit repair, because we find that many of the contractors have made bonding applications before and been denied. And so what happens here is that contractors that have serious credit problems, that must be cleared before they are eligible to receive bonding, get this special counseling. Similarly, if a bonding application has been completed prior to the entry into the program and been denied, the Contractors Solutions will sit down and analyze the reasons for the denial and develop a remedial plan that's tailored -- a tailored strategy for each client to address and overcome the factors that have led to the denial of the bonding application. And then, also in the technical assistance area, procurement assistance. They receive instruction on how to pre-qualify, again, with the SCC, and training on how to review a bid package and how to respond to a bid for school construction. Once they've received that technical training, they're ready to put their application in for bonding.

Access to bonding through several surety companies is available. Now, these are companies that have been selected because they have special programs that have been crafted specifically for the smaller contractor in mind -- minority contractors, women contractors. Also, a very innovative feature of this is that, for those contractors that need a little bit of additional support, we have a direct link with the United States Small Business Administration, which will guarantee the bonds so that the contractor can actually get the bonding

commitment. So there is that guarantee available through the SBA. That's a very exciting feature, and that's really new to New Jersey, under our program.

Some early successes I just want to share with you -- a \$300,000 single, \$600,000 aggregate bond line for a woman-owned contracting firm located in Orange, New Jersey; a \$1 million bond line for a NBE company in New Jersey specializing in HVAC mechanical. These are just two of the very early success stories that we have to report. Our consultant -- and this is another important feature. Because when we set out and explored different ways of delivering this program, we looked at providing surety bonding directly through a guarantee program, through underwriting some of the costs. And what we found was that that presented too much risk to the State. So with our approach, our consultants provides in-house approval, is a surety agent for the surety companies -- provides that in-house approval. And the actual bonds are issued by our surety agent without any cost or risk to the SCC. Similarly, in the area of working capital, again that is in-house and by our surety agent without any risk or cost to the SCC.

So, in conclusion, SCC's bonding program provides contractors with access to all the tools and training necessary to develop and grow their businesses, and ultimately compete and participate on school construction projects.

Thank you.

SENATOR SWEENEY: Any questions?

Senator Coniglio.

SENATOR CONIGLIO: You said you had a few success stories. Out of how many applicants did you have success stories with?

MS. BOHI: Right now we have 80 applicants. As I said, the program is pretty new, and we have 80 applications that are in the pipeline. And as I reported to you, we've had 13 bonding programs that have been finalized for -- I'm sorry. Let me just double check my number here. Thirteen bond programs in place for over \$11 million.

SENATOR CONIGLIO: Of the 80; 13 of the 80?

MS. BOHI: Yes.

SENATOR CONIGLIO: Thank you.

MS. BOHI: So far, all minority and women-owned.

SENATOR SWEENEY: Any other?

Senator Cunningham.

SENATOR CUNNINGHAM: You had mentioned training programs. Where do those programs take place? Where are they conducted?

MS. BOHI: We have a flyer here this evening with the locations and the contact name and number for folks. We have them in Bergen County, Camden, Elizabeth, Jersey City here, Monmouth County, Newark, New Brunswick, Paterson, Perth Amboy, and Plainfield. And this is our Construction Trades Training Program for women and minorities.

SENATOR CUNNINGHAM: Very good.

The last question I have. Sometimes, when it comes to local development, we're required to have community participation and the review of plans. I was curious -- with the school construction in Jersey City alone, there's almost \$1 billion pending. Is there any possibility of setting up a community-based advisory board for local women and minority contracting and labor, so

there would be more direct input? Because what I'm afraid is going to happen, we're going to have a billion dollars worth of new schools, but no participation.

MS. BOHI: It's an excellent point. And it's something that the SCC has really taken to heart. We're working on a number of different fronts to get the word out into the communities. We have a marketing drive that's underway -- a marketing program -- designed to bring information about jobs that are coming out and penetrate into the community to all the different populations. Our PMF -- our project management firms, that are the regional construction management, have consultants on staff to help us with the community outreach. They actually keep lists of workers and contractors and, as jobs come up, they give those names to the primes to call and hire. We have a number of different referral sources. The community participation is something we are really emphasizing. It's important.

From the beginning, we have said we're not just building schools, we're rebuilding communities. And local participation and involvement in the construction projects is key.

SENATOR CUNNINGHAM: And that's all important. But I think what I'm suggesting is that there be a community-based involvement. Right now, you've got the names and you're sending information down. But sometimes it has to be sent up. And as proud as I am of this building -- it's not a school -- but as proud as I am of this brand-new building, it probably was built with almost no minority or local participation, and it affects the lives of everyone. With the schools, I think we have a unique opportunity to get more involvement in the local and minority communities.

I think, maybe, if there was some kind of community organization that was put together specifically to work with you on making sure that there was that participation, it might help.

MS. BOHI: We are reaching out to all of the diverse communities within Jersey City--

SENATOR CUNNINGHAM: We want to do more than reach out. I'm offering you an opportunity for us to reach up. In other words, from the community to the School Construction Corporation.

MS. BOHI: Absolutely.

SENATOR SWEENEY: Through the office of the mayors of those towns, it might be a good start to have a meeting through the office of the mayors in those towns, as Senator Cunningham, Mayor Cunningham, is here. He knows this community. He knows contractors. He knows the people, as the other mayors do in the other towns. So that might be a great opportunity to develop that base, to start that inner workings going.

I see Jerry Murphy here also, and I would respectfully request some things such as that could happen, where there could be meetings set up with the mayors in those communities to making sure that people in their community-- Again, they know. We're coming into their community. I came into Jersey City; I don't live here. The Senator does, and I think he knows his people better than I do.

MS. BOHI: Actually, I have received a list with the-- Your office is being contacted by our marketing and outreach and our Division of Diversity to set up a meeting.

JERRY MURPHY: (speaking from audience) Senator, we can take care of that.

SENATOR SWEENEY: This is Jerry Murphy.

MR. MURPHY: I'm Jerry Murphy. I'm the Chief Operating Officer. Jack Spencer and I are setting up a meeting next week, so we can--

SENATOR SWEENEY: Sir, you need to speak into the microphone, otherwise we won't hear you in the record.

MR. MURPHY: I'm Jerry Murphy, Chief Operating Officer of the Schools Construction Corporation. I hear your suggestion. I think it's a great suggestion. I know Jack Spencer and myself are trying to set up a meeting, I believe for next week, to discuss some other issues. We can sit down and work that through and see what we can set up. It's not a problem.

I didn't want to put Barbara on the spot. She really isn't in a position to answer that, but I can answer that.

SENATOR SWEENEY: Right. That's why we're fortunate to have you here, Jerry. Thank you.

SENATOR CUNNINGHAM: Thanks, Jerry.

SENATOR SWEENEY: I think that will go a long way.

Thank you.

MR. MURPHY: Thanks.

MS. BOHI: All right. Thank you.

SENATOR SWEENEY: Thank you very much, because I think that's extremely important.

And next, we're going to have Kelly Drakeford, Director of the Office of Diversity. Kelly? I know Kelly is here.

KELLY DRAKEFORD: (speaking from audience) I'm here, but not--
Barbara--

MS. BOHI: Let me just say, I want to introduce Kelly Drakeford --
is our new Director of Office of Diversity for the Schools Construction
Corporation. (applause)

SENATOR SWEENEY: That is excellent news. You have an
excellent person with Kelly.

Next, we're going to have testimony from Don Wilson, Minority
Contractors and Coalition of Trade Workers of Jersey City.

UNIDENTIFIED SPEAKER FROM AUDIENCE: He's not here
yet.

SENATOR SWEENEY: He's not here yet? Okay.

Next is Steven Pinkney, MCCTW. That's abbreviated. I figured
that out. That's abbreviated. I got that.

STEVEN PINKNEY: Good evening, Senators.

SENATOR SWEENEY: Good evening.

MR. PINKNEY: Three minutes. Here we go.

SENATOR SWEENEY: I know. But we have a lot of people. I'm
sorry.

MR. PINKNEY: I know. I know, sir.

I'm here to talk about Don Wilson's project. It's called the
Minority Contractors-- Basically, I gave you a package -- I have one for you,
Lou -- and it tells a story, a terrible story, that when the mayor was the City
Council President, 20 years ago, he gave this RFP to this project, \$5.3 million.
It took 15 years for it to get off the ground, because of the way that the system

manipulates. And it's, sort of, like what the mayor is saying, the State Senator is saying, about them doing a disparity study, and all of a sudden they find problems in just getting through the disparity study.

You see, because if you want to do something, you do it. The process of applying for it, State certification to get into the school process, takes a year, or almost two years. And that's -- if you want people to work, you remove those barriers.

Executive Order No. 1, by the Governor, said that only union shops can work on school construction. So, again, another barrier. Here you've got people-- This job, this program -- Minority Contractors program was 100 percent African-American. The first time in the history -- \$5.3 million. The budget didn't change, mind you, from the time when 20 years ago he was the City Council President, but it put a whole lot more requirements on him before he got there. And just as he got to the door, they said, "Oh, you need a bond." Now, in most cases, when you are nonprofit, they work a way around that. But when they don't want you to get it, it becomes the obstacle. So what did they do? They brought in a company called Epic, because Epic had the capacity to get a bond.

The day of the closing, through the fax machine -- Don had paid almost \$120,000 to a lawyer to protect him, but they allowed this clause, this reversionary clause, to slip into the contract, which said if Don did anything -- if he spit on the sidewalk, the contract could be taken. And that's what they did. Don worked for two years-- And if you go five blocks down to Wilkinson and Bayview Avenue, you will see the best houses in this country. This guy built the best houses in this country using a lot of the brothers in this room.

Okay? But 85 percent down the road, they yanked him. And then they criminalized him. When he started to fight back, they criminalized him.

So he gets together, and he starts his fight, and he puts up his dukes. And all of a sudden, he files a motion. In two years his lawyer sells him out -- brother from the community, sitting on somebody's payroll right now -- sells him out, and he starts fighting for himself. But because he's a corporation, he can't fight in the court of law. So they stop him. And then right after he puts together this beautiful file of evidence, which has been sent all over -- to the President of the United States, everywhere in the world-- I mean, we've got a file that would fill where you guys are standing all the way back to me.

He files this thing with the court systems and with the different, so-called protection agency, the government, to say, "Hey, these guys have done me wrong." And he gets arrested at gunpoint. They come into his house-- Now, this is a two-, three-year-old investigation. They come into his house, and they put his son on the floor, and they say, "You're coming to jail. You're arrested." A \$100,000 bond for stealing \$500,000, which the lawyer for the Hudson County Improvement Authority kept saying to everybody and everybody believed. But nobody investigated. The guy said it, it must be true. This is only a colored guy, it has to be true.

Well, Don -- the package that you have has three different articles by three different newspapers. Two of the newspapers, of course, take mostly the position of the prosecutor. One, the African-American newspaper, printed the story as we wanted it printed. So you'll see -- most of you in the room have a little short version of this tragedy, this American tragedy -- where this brother had guys coming out of prison that we're spending \$100,000 a year to keep in

a cage. We're spending 100 grand to build prisons. Go over the Kearny Bridge, they're building on an extension. We going to put some more brothers in jail. Give the guy \$5.3 million, and he puts 50 to 100 guys to work, builds some of the best, finest houses that we've ever seen -- what do we want to do?

So I guess my three minutes are up. I wish I had more time, but I'm sure that now we have some people that we are going to be partnering with. We have the Lifers -- Harvey George is going to talk to you, and he's going to tell you about the Second Chance Opportunity Program, because this mayor happened to come into Dodge, and he's not looking the other way. He's looking toward the people, and he's trying to structure something that works.

So we've got the players, and we've got the talent to build anything you got. (applause) Maybe we don't have the paperwork, but we have umbrella organizations, like the Hudson County Contractors Association. Okay? And Don should be exonerated, as he was criminally, because the civil suit is closed and done, and people have gotten away with murder.

So I hope you look through that package, because what you'll see in that package is a letter from the very people who were the fiscal managers of the project. And what that letter says is that \$5.3 million was spent, plus \$7,000 -- meaning that Don couldn't have stole one dime. And what they ultimately charged him with is \$15,000. You got three cases going on where \$15,000 is being pursued by the State Attorney General's Office. Has anybody every heard of a cost overrun?

SENATOR SWEENEY: Sir, please.

MR. PINKNEY: I'm going to wrap up by saying that it's an honor to wear your pin, sir. I don't work for you, but I've seen your efforts. And I

know that you're trying to do the right thing. And if there's someplace I can holler, I holler. (laughter) (applause)

SENATOR SWEENEY: Next, Mr. Ron Wedlock, AKKJ Electric.

And before you start, sir, I'm going to have to really -- because I have several people who want to speak -- really hold to three minutes. And I apologize for that, but I want to give as many people a chance as we can.

Sir, go ahead.

RON WEDLOCK: Yes, good evening.

My concerns are-- I'm going to start with the SBA classifications. Why are smaller contractors classified with SBE contractors that -- a maximum for a small business enterprise is, like, \$5 million and with 100 employees? When these contracts are given out, I don't understand why a small contractor that's maybe got a half a million gross, if that, maybe a million, is in the same classification as these people making 5 million with 100 employees? From my understanding, there is a clause in the DPMC that bonding can be exempted for projects up to \$47,000. Now, I spoke with some people in DPMC, and they tell me that this is an extreme rarity, an extreme, extreme rarity -- maybe a 2 percent, if that -- that a job will go out to bid without a bond requirement. So, if that's the case, when the classifications are given, I mean, why put on the facade that you don't need bonding, and in essence you really do even to get on the DPMC projects?

I understand that the SCC projects have an exemption up to \$200,000, but no RFP comes up with any cause to stipulate, to allow the smaller contractors to partake in these projects without having this bonding available to them. DPMC used to allow bids from the disciplines, such as

electrical, plumbing, HVAC. Now these projects are lump-sum bids only. Whereas, you have to have a general contractor to put in a bid for you. So, if I'm not the buddy of the GC, then more than likely, dollars to doughnuts, that -- not unless I really belly-up under and give a bid that would be hard for me to make -- would I ever get the job. And these projects used to be allocated in this manner. Why they are not now, I'd like to know. And if something could be done, I would appreciate it? Because I would like to start earning some more money so I can give my employees medical benefits.

I got all these classifications, and I'm not earning any money. I can't even give my employees medical benefits, because I'm not garnering income from -- I haven't gotten any State projects. So these are some of my concerns there, in regards to that.

And this level of bureaucracy that we got here with the SCC and other entities, to me, it just seems like another level of bureaucracy just to exclude minorities from this money that's coming into the community. Because before this, all school construction was handled by DPMC. And even though we got SCC, we still got (indiscernible) land lease as a project manager. We're paying the same money that we're paying (indiscernible) that we're paying, probably, SCC. We have created all these different bureaucracies, and everybody is getting compensated, except for the small contractor. (applause)

SENATOR CUNNINGHAM: I'd just like to say, one of the purposes for this hearing this evening is gathering stories and information that you provided. One of my goals, and this Committee's goal, is, I believe, to see if we could come up with some form of State-supported way of providing the

bonding that would allow these smaller companies, like the one you mentioned, to operate under.

So thank you very much for your testimony.

SENATOR SWEENEY: Thank you, sir.

Next, we're going to have Wayne Harmon, Harmon Brothers Electric, Incorporated.

WAYNE HARMON: Good evening.

First of all, I'd like to thank you, Senator Cunningham, for holding these hearings and allowing our small contractors to be heard. Because for too many years, we have been left out of the building and construction trades because of bonding and union issues. For too many years, our families have had to endure the sufferings of not being able to make ends meet, because of these restrictions. For too many years, the powers that be, whether union representatives or major contractors, have said, "No. Sorry, guys. You can't work."

I am a second licensed electrician in the Harmon family. My father, Fred, was the first licensed electrician. His license number was 3148. My brother Michael's license number is 11706. I remember my father telling me the only way I could make it was to get into the union. I was 19 years old. I went up to take the test, saw they had a box for race. I knew then my chances would be close to none. Even now, here, recently, I was told by Joseph Diaco, of Powers Electric, that his contract prohibited him to assign work to a non-union, electrical firm, which I knew not to be true.

The question is, now, how do we get bonding if we don't have the 50, 100, or even \$1 million in collateral that the bonding companies want in

order to secure your job? Much less, what do we do when we secure the bond, pay the note, and still don't work? How do you keep that bond? Cash flow is low. And the banks, forget about it. They won't support you either.

There needs to be a system in place so that every legitimate contractor that wants to work can work. There needs to be a system in place that allows our sons, our daughters, our nieces, our nephews, and young people coming up to take over the business. Most of all, there needs to be a system in place where we can find solutions instead of the usual red tape and denials.

With your help, Senators, we can achieve some of the things I've outlined here today. Without it, young entrepreneurs won't have a chance in this great country we call America.

Thank you. (applause)

SENATOR CUNNINGHAM: Wayne, I'd just like to say thank you for your testimony. You have proven your ability to get the job done in Jersey City. I can point to various sites that you have taken and built something out of, or improved the project, and you are an example, as are some others in this room. And we hope that through the testimony of yourself and others we are going to move forward with this.

Thank you, Wayne.

SENATOR SWEENEY: Thank you, sir.

Next, we're going to have John Johnson, John Johnson Electric.

JOHN JOHNSON: Good evening. Good evening, Senator.

My name is John Johnson, from J. Johnson Electric. And it's good to see the votes weren't in vane.

Mr. Cunningham, I don't know if you remember me from Barches (phonetic spelling). As a matter of fact, you were very instrumental in getting me a job with the electrician's housing authority back in -- when you were a councilman. And since then, I've gone -- I've become a licensed, electrical contractor.

First, I'd like to say, this is very informative. A lot of questions-- I have some roads that may lead to some answers and hopefully some progress in achieving some income that would be sufficient to raise my family, and become a better contractor to make opportunities available to other future licensed electricians in the area. Also, I would like to say that it is a very hard and strenuous task to get your license. I've had the privilege to work with Mr. Harmon, Ed Chiles, several local contractors in the community -- born and raised here in Hudson County. And it's very disturbing to have gone through all these trials and tribulations to achieve this goal, which is a life-time dream to get your electrical contractor license, just to be held short of reaping all the benefits that go along with it.

I'd like to say that I am small business certified. I'm officiated with the Jersey City University, with Ms. O'Neal, Al Izzy. I worked with several other contractors that will, basically, act as a sponsor. I'd also like to mention that the program or the suggestion that you made, I think, is one of the keys in this process, because we can throw a lot of suggestions out there, but until something is actually put in motion that will monitor the results and hold somebody accountable, to see that things are maintained for those who are truly qualified and certified-- And I believe that having given the opportunity to

these people who have met their requirements and their goals, it opens doors for further people and keeps that beacon of hope alive.

This is not a plea or any type of begging. It's actually a demand. I'm a Hudson County resident, born and raised here in Jersey City. It's very disturbing to see everyone -- names I can't even pronounce -- work, literally, in your backyard. And I may have to go all the way to Newark on the strength of previous customers who I've acquired, and seen that the work was legitimate, prior to even getting a license.

I truly believe that if you follow up with the program that you mentioned, as far as a community-based program to monitor results, it would be the first step in achieving the ultimate goal.

Thank you. (applause)

SENATOR SWEENEY: Thank you, sir.

SENATOR CUNNINGHAM: Thank you.

SENATOR SWEENEY: Next, Mr. Don Wilson. We're going to call Mr. Don Wilson up. Mr. Wilson, if you can, because we had, I guess, your partner, one of your associates earlier, speak. This is about bonding opportunities for contractors, and if you could keep it brief, please, because we still have several speakers.

D O N A L D W I L S O N: Good evening.

My name is Donald Wilson, Chairperson of Minority Contractors and Coalition of Trade Workers of New Jersey.

Our organization, and many of the small contractors here, are denied access to work now that the governor came out with this new Executive Order No. 1 -- you must be a union worker or union company in order to work.

This has really destroyed the minority community, as far as access to work. Bonding requirements are basically the insurance policies to keep the small contractor out, not only the black one or the Hispanic, but also small white contractors. I think what our Senator, and along with our Assemblymen, now are trying to do, is to empower the small contractor or the small worker. Our Senator, which is also our mayor -- I could date this back to him trying to help the small-time contractor over 16 years ago, when he helped the minority contractor and some of the other larger contractors, who are in this room today, get started.

But what we need -- we need access to the bonding, and we need the mechanism to help the contractor qualify for the bonding. Because the level can be just like dumping in the ocean without a life preserver. Because one of the things that happened that I don't particularly care for now -- the small contractor-- He gets the bond. He has to bond that bond back to the GC in order to get a subcontract. Now, what happens there? The small contractor gets the job. The GC screws him around, don't pay him on time, which happens to, definitely, minority contractors all the time. You're supposed to get paid in 30 days. He gets paid 60, 90, maybe 120 days. You know what I mean? Now, he can't pay his premiums. He can't pay his workers, especially if you're on a union job -- and I've been on all of them, from the City of New York and here in New Jersey. New Jersey is the worst state I've ever been in to try to work in. Because you do everything here to keep us from working.

We go all the way back here in New Jersey to 1974, and they have done everything to deny the minority contractors a contract to work on all the major government projects. Because our organization has demonstrated, we did

everything we possibly could to get a job. From the Tri-City Sewage Authority to U.S. water and line repairs to Liberty Science Center, 101 Hudson Street, Newport -- I mean, we can go on and on. And we've been denied access. The only way we could possibly get a job, we had to have a major bond that we could take over the job. Then when we get -- excuse me, sir, I'll finish this in a second -- a job, you do everything to kill us off the job. Because there's not enough money, the banks won't lend us the money to be able to have working capital. The contractor does one great job. He screws us to death so that the small contractor is knocked off the job. He can't pay, especially if you're doing a union job. The first time you don't pay your dues at that month, you're off. Because he's not getting paid. So then he loses what? He loses his bond. He could never get a bond again, because he didn't fulfill his first obligation.

And then, I want to give a specific example here with the minority contractors.

SENATOR SWEENEY: Sir, but we got to wrap up, because I've got a lot of other speakers, please.

MR. WILSON: All right, I'm going to wrap this here up, but this is most important. Because I think if you want to gloss over this issue with the bond, then you don't need to hear us in here.

SENATOR SWEENEY: No, no, this is--

MR. WILSON: Well, I just want to finish it up. I'll finish it up. I'll give you one good example.

UNIDENTIFIED SPEAKER FROM AUDIENCE: He can have my three minutes.

UNIDENTIFIED SPEAKER FROM AUDIENCE: He can have my three, too.

UNIDENTIFIED SPEAKER FROM AUDIENCE: He can have my three.

MR. WILSON: Thank you.

SENATOR SWEENEY: If you wouldn't mind, please?

UNIDENTIFIED SPEAKER FROM AUDIENCE: I don't mean to be disordered. I'm Freddie Painting, and he can have my three minutes. I'm up here to talk, too. (indiscernible)

MR. WILSON: A classic example: The minority contractors took a job here in Jersey City. It was a development of 27 affordable housing units. We didn't have the bonding capacity, so we wind up -- had to take on another contractor who had the bonding capacity. What happened there? He ripped us off. The administration goes along with it -- city, State, and county -- goes along with it, and they screw the little guy, who lost about 60 other contractors and workers, here in this room here today. Lost out on that there for eight years, had not been able to work. That's the destroying of a major organization -- had over \$300 million worth of contracts that got squashed throughout the state and a couple of other states outside of here -- North Carolina and South Carolina. They did everything in the world to destroy us.

What we do need -- we need a comprehensive bonding program that's going to umbrella the small contractor. Because if we give it to the big guy, he's going to screw us, period. The reason why we went out to do our own work, because we could never get a job in the first place -- a guy could have a bond and all he wants -- because he's too high, he's too low with his number.

These are the things that happen to us all the time. You want to hear the story? Well, we're going to give you the story, because you have a number of people out here that have families and have worked real hard. But every time they go to look for a job, there's no work.

Since the minority contractor has been out of work, haven't been able to bid on a job, there hasn't been -- not one minority contractor has a major job in this city here in eight years, in eight whole years. So we are very thankful for our mayor looking out to see how he could bring the bonding in. But we need more than just a bonding program, we need a bonding mentoring program that can -- excuse me -- guarantee us access to the bond so that we can bid on a job we could control ourselves.

SENATOR SWEENEY: Sir, excuse me. One second though.

We had that discussion earlier. There is a program that the Schools Construction Corporation is putting-- You came in late.

MR. WILSON: But you see, sir--

SENATOR SWEENEY: Sir, please let me finish for one second.

MR. WILSON: Go ahead. I'm sorry. Go ahead.

SENATOR SWEENEY: There is a mentoring program. There is a bonding program. And the Schools Construction Corporation spoke to that prior to you coming in. And those programs are absolutely in place, and the Schools Construction Program head has agreed to meet with the Senator and Mayor Cunningham to make those connections with the local community. You came in late for that. But I just want to let you know, as you're going here, we have addressed that earlier.

MR. WILSON: Well, you see, and that's great. I think it just needs to be said again by a person like me so it is brought out. And you can say this again, because if you don't have this -- a program that's available-- Because we have the SBA program that's available, and not one of us in this room here can qualify for it or get a dime out of SBA or any of the government programs. We've been around and done this here for a long time. There's been a lot of programs on the books for us. Most of the social service programs that are in this country, right now, are for minorities. But do we receive any benefits from it? No, sir. We don't.

So what we're trying to do here -- and we're very thankful for our mayor. I won't call him the Senator. He's also a Senator, but he's our mayor. And he has a vested interest for years and years -- one of the first persons of color who have had this interest, and definitely of anybody else that I've ever seen. Not because he's just the mayor, but he's done this here. He's proven his track record. What we need to be able to do-- (applause) What we need to be able to do is to sit down with him, you, and the Schools Construction Authority and open up that process. Because I was one of the first people who dealt with URS when they came in here, and they were assigned to the school construction and talking about hiring minorities. And to this date, yet, I don't know any of these people in here who's got a job with them, not one.

And believe me, I was the first one. Because as a person who's very knowledgeable and has extensive background in construction and a major team on place-- We built the first project here. We built the first major project in the city of New York. And all of this here stems from one individual giving us a chance. Now, he's brought all of you here now to listen to us, so that you can

do something and open up the process. (applause) Because that's all we need to do -- if the process can be transparent so that we can work.

And I thank you very much. And I say again, Senator, thank you. Assemblyman Louis Manzo. I don't know the rest of you people, but I do know these two, and I know both of them have worked for years trying to make a difference for our community. And our community doesn't happen to be only African-Americans. It happens to be black and Hispanic, and the small white contractors that we know personally. We're the only ones that we can deal with. Because everybody else we deal with, you can rest assured the guys going to be destroyed by the major contractors. So we need this thing to be very transparent with the bonding, so that if a guy takes on a job, he knows he's going to get paid at a proper time.

Thank you.

SENATOR CUNNINGHAM: Don, thank you.

What you've helped us do is humanize this experience -- the horror stories that we've heard. And I personally know what you've gone through for almost 20 years, in trying to do the right thing. So I commend you for that. You did miss part of the previous conversations. And one of the whole purposes of this session today is to come up with thoughts and ideas on how we can come up with an umbrella bonding capacity, so that the companies won't suffer the way the minority contractor, the small business people -- won't suffer the way you've outlined already.

But you made me think of one thing, when you said that sometimes the companies, the larger contractors pay you late.

MR. WILSON: Every time. Jersey City, they did that; any county, they did that -- what destroyed the minority contractors. We had men who were working -- didn't get paid for three months, Mayor.

SENATOR CUNNINGHAM: Well, I want to clear one thing up. You're talking about that other administration, right? (applause)

MR. WILSON: Yes, sir.

SENATOR CUNNINGHAM: When I was a U.S. Marshall -- as a U.S. Marshall, I used to be responsible for paying vendors, and there was a Federal law that if I was more than 30 days late in paying a vendor, then my budget was penalized 6 percent of the cost of whatever I owed that vendor. Which meant, if I didn't pay on time, then my bosses in Washington starting looking at me and saying, "Hey, Marshall, why are you paying him late, because it's costing the government more money?" Maybe there could be some legislation that we could look at that would penalize a contractor who does not pay his subcontractors on time. (applause)

MR. WILSON: There needs to be. But that's one of the major issues that destroyed the small contractor, Mayor.

SENATOR CUNNINGHAM: Thank you very much.

MR. WILSON: Thank you very much. (applause)

SENATOR SWEENEY: Next we're going to have Ed Joyner, Eagle Heating, Cooling and Electrical. Sir.

ED JOYNER: My name is Ed Joyner. I own a company called Eagle Heating, Cooling, and Electric. I am a licensed electrician. And my comment is this: To get a bond for this project, I was able to get one for 200,000, if I put up \$200,000 worth of real estate that I already own and pay them \$3,500 to

put a lien against it. All right. And I got a 200,000 bond, which is -- I haven't seen a single contract for 200,000.

One other instance I want to bring up. I went to a pre-business meeting in Burlington County for a \$90 million project, which these people assumed that no blacks was there. Some of the comments made about blacks in that room was repulsive. All right? If you go to some of these pre-business meetings -- even if you can't get the job -- listen, because you will know what's happening by the time you leave there. All right?

I am black. I'm MBE certified, SBE certified, dual teacher certified, and I've never accomplished a single thing with New Jersey.

Thank you. (applause)

SENATOR SWEENEY: Excuse me, please. If everyone could please--

Bert Jackson, Jacobs Contracting Services. Is Mr. Jackson here?

BERT JACKSON: Good evening, Senators. Good evening, everybody.

I'm Bert Jackson, with Jacobs Contracting. We are a small general contractor based in Pleasantville. We do work in Pleasantville, Atlantic City, Camden, all the way up to Trenton. We are certified African-American contractor, about three years old. We just completed the eight-week training program for the SCC program, which was a good program. We are a small union contractor. We do put community residents through a training program and then get them signed up into the union. However, we are also having problems getting bonding. The problem, of course, is you need to have a good track record. You need to have a good track record of completed projects. You

need to have working capital. You need to have -- to be technically qualified and be able to run a job.

One of the main problems is, first, getting the job. To start out, usually you have to start out trying to get a subcontract from a majority contractor. That usually, with the majority contractors, it's a closed circle. They prefer to work with their own, and they keep it closed. It's very, very hard to break in. Right. So that's very, very hard. We need a way to be able to either -- to be able to get mentored by a majority contractor, to be able to team up with other contractors, to get our foot into the door so that we can complete projects so we can develop a track record.

The other thing is, if you don't get jobs, you can't make any money, so you can't have working capital. And if you don't have working capital, you can't get bonding from the bonding companies. Because one of the major requirements of the bonding companies is that you have sufficient working capital to finance a job. So it's a catch-22 situation. We need to break in so we can get the work in a partial-type, fair situation, so we'll be paid on time, so we'll be getting the job at the right price -- we won't be beat down -- so we can start growing. And that's, basically, what the issue and the problem is. We need a bonding program that will help us to take care of those situations.

Back in 1976, I worked for a number of years at one of the pioneering minority contractors' financing and bonding assistance programs in Washington, D.C. And I'll be glad to share some of the lessons learned there that can be helpful from here on.

Thank you very much. (applause)

SENATOR SWEENEY: Thank you, sir.

SENATOR CUNNINGHAM: Thank you.

SENATOR SWEENEY: Next we have Janellen Riggs, Janelle Technologies.

JANELLEN M. RIGGS: Hello, everybody. I thank you very much. I only found out about this yesterday.

I've been in business 16 years. I'm a small business, woman owned. I started it on unemployment. And we do electric mechanical assembly work. We, majorly, do work for the transit industry. We've been involved with the Camden/Trenton line, supplying parts for the switch heaters, on-the-side painting jobs -- we've been involved with union and non-union jobs. Part of the problem is, as everybody else, we've just lost a \$600,000 contract with New Jersey Transit because we did not have a bond. We were the lowest bidder. We've done a lot of work for SEPTA, Amtrack. We have built parts for New Jersey Transit through the car builders, but we basically can't break in because they have a bond issue.

I'm single. So I own a home, but -- and I'm incorporated. We hire -- I have four employees. We've grown to 12 employees, but I've learned to eliminate people as contracts go. And, I really think, I enjoy everybody speaking here. We need more joint venture, possibly with larger companies. Demand for them to work with us and not at the 5 percent minority rate that they give us. It's usually -- when the contract comes out it's, for a woman owner/minority, 5 or 10 percent above cost. You can't work on 5 to 10 percent. You have to consider everybody's salaries, your electrical, and your health costs. And then by the time you're finished calling everybody, they pay you in 60, 120 days, and it's just not fair.

So if you can look into this-- I'm in South Jersey, in Burlington and Camden County area. I have 7,200-square feet of warehouse and assembly with an electronics and mechanical background. I can build a whole train almost, except for a door and a window, inside and out. (applause) So I'm just asking for us to have a chance with the bond issue, because we want to go local. We have not had a contract with New Jersey. We have built your E-ZPass light switches -- that you go through E-ZPass, years ago when they first came out, and that was probably our last contract with New Jersey. We work with SEPTA and the Port Authority and everybody else. So we're really trying to stay local.

I appreciate the opportunity and hope we can get something done.

Thank you. (applause)

SENATOR CUNNINGHAM: Thank you very much, Janellen.

Thank you very much.

The next speaker will be Dwayne Gilyard from DWG Total Construction. That's Dwayne Gilyard.

DWAYNE W. GILYARD: This meeting, I'll be honest-- Since I've been here, I kind of lost confidence in the system, because the fact that I've just been awarded a major job in Jersey City, with (indiscernible). I am the contractor -- building, doing the framing, the drywall, and the trim package there. I was writing down a couple things. I'm going to make this real short. I have the confidence to do any job there is out there, as far as wood framing, metal framing. The ability, without a doubt, I have that. Manpower -- and I am a union carpenter and a union contractor. I listened to a lot of these people

here and I see what's been going on. I'm fairly new in the game, and that's okay with me.

I employ 24 people. I have people in training right now in Jersey City. One of the ladies here, she works for me. I don't want to say much, but I'm very disappointed, very disappointed in everything that's been going on here. And I'm going to look forward to see what's going to happen in the future. I just don't want to be forgotten here, period. I'm going to do what I have to do. I don't want to be forgotten.

That's all. (applause)

SENATOR SWEENEY: Mr. Edward Howard, Edward Howard Associates.

EDWARD HOWARD: Good evening. My name is Ed Howard from Ed Howard Construction Company.

I knew the Senator, Glenn, for a long time. I'm glad that he is the Senator and the mayor, because I got a lot of things done through Jersey City, but only through Jersey City. I do a lot of (indiscernible) jobs. I do like \$200,000 worth of (indiscernible) jobs. I'm doing a six-family building now for \$330,000, and that was through Glenn Cunningham's pushing people and making things happen. But, do you know what's sad? Every time we go to a school board meeting, they tell us we have to have a bond. I don't want to go over the redundant thing about the bond. We can't get a bond. We can't get local people to work on the sites.

Glenn Cunningham has one of the only ex-offender programs. Nobody has set aside any kind of structure to take these ex-offenders and put them in the unions, or make the board of education or make the school systems,

or whatever -- take these people and start them on a new track of life. We got to do something for these young kids today. I'm grateful that we have a mayor like him, because I'd starve to death -- because I can't get a bond. I don't have a lot of working capital. I have a small crew. And if it wasn't for the mayor, I couldn't do anything at all. And I appreciate everything the mayor's doing for me, but we have to start doing things for these people. We have to set aside bonds.

I need two more minutes. What happens was, every time I got a big job-- I had a joint venture with a white contractor. The white contractor took all the money. He was the one who had the bond. He was the one who umbrelled me under his bond. And when he umbrelled me under the bond, I only got a small percentage of the profit. Every time he got the big percentage of profit. I did a million-and-a-half joint venture in McCovey Woods. I did stuff down in the Miami Gardens. But I always had a joint venture. I'm sick and tired of joint ventures and the general contractor making all the money.

Just like Donald said, is so true. You promise to pay us in 30 days. We got paid in 90 days. We can't survive that way. We cannot survive. So I'm still in the small level I am until we could find some kind of working means to make things happen. And we've been hoodwinked for so many years, it's unbelievable. And you know what, you stand here, we don't believe in nothing you all say. The only one we have believed is the mayor. (applause)

SENATOR CUNNINGHAM: Ed, I'd like to thank you for testifying, but I have to-- I feel very good about my colleagues who are here with me. Because in a very short period of time, at the suggestion of the Chairman of the Committee, we put this hearing together right here in Jersey

City. So I feel good knowing that I believe that we do have friends in Trenton now, who will be working with us. I just have faith that they're going to work with us. So let's give them that opportunity. (applause)

SENATOR SWEENEY: Thank you.

And next, Mr. James Brown.

It's not the James Brown I know. (laughter) I couldn't resist, couldn't resist, you know.

You never heard that before, did you? (laughter) I couldn't resist myself.

Sir, again, we're-- So, as we're going through-- Three minutes.

JAMES BROWN: Yes, I understand. I got it. One, two, three, four, five.

SENATOR SWEENEY: Thank you, sir.

MR. BROWN: Five minutes.

I'd like to clear up a few myths. One of them is the bonding. The prime contractor, heat and ventilation, electrical, plumbing -- those are the companies that are mandated to have a bond. Now, if you do an audit or a review -- 25, 30, 40 percent of the projects in this state -- you'll find out that the subcontractors do not have bonds. But when it comes to minority contractors, they would have bonds. It took 10 years for me to see an official in government, especially on the EDA, Beth S-Z-T-U-K. And one of the things you wrote in the regulations that they promulgated was that if you don't require a bond of your subcontractors, you cannot require a bond of minority contractors. I'll say that again. If you don't require a bond of your contractors, you cannot require a bond of minority subcontractors.

Now, this went from EDA down to Schools Construction Corporation. Somewhere down the line, people are reading into what -- State's Senators and Assembly -- are passed. When you passed this, you then delegated EDA -- not School Construction, not the other agencies that they have throughout the cities, whether it be Newark or Jersey City. These groups are feeding into this and setting forth requirements that you, the Senate, nor the Assembly, approved of. You gave the EDA the authority to promulgate regulations, and they did -- October 2001 -- they indicated this. I have the document here that they indicated that about bonding. Now, there is a disparity -- Jersey City, Newark, Camden, and the School Construction. And that's because everyone becomes like a little guard in his place. He's given authority or he's contracted for one thing, and you search the authority right across the board. Okay.

I'm here to say that minority contractors are being hurt. In Jersey City, not one minority contractor has been hired on a school construction project, not one black person has been hired on a school construction project. Now, let me just qualify the black person. I'm not saying people coming out of the union or being sent from the union to the project, some of them are not black. But I'm saying Jersey City black construction workers are given training slips. Twenty years in the trades -- you're given a training slip to go be an apprentice. First of all, anybody that knows the apprentice system, you're too old to begin with. You have to be under 30, technically, to be an apprentice. But this is what they're giving out, and stuff like that. That, also, is in violation of Federal law, under the Taft-Hartley Law.

So I'm just coming to you based on your authority and how it's being misused. See, before you even write something new, look at what's out there and look out at what's being misused, and that's one of the areas.

Thank you. (applause)

SENATOR SWEENEY: Thank you, sir.

SENATOR CUNNINGHAM: Thank you.

SENATOR SWEENEY: Next -- if we could please hold it down -- Sammie Lee McGriff. Sammie Lee McGriff. Yes, sir.

Reverend. I'm sorry, Reverend.

REVEREND SAMMIE LEE McGRIFF SR.: No problem. You've gotten even with me already, because I've never preached more than two hours or less than one hour. I'll make this in three minutes.

SENATOR SWEENEY: Thank you. Praise the Lord. (laughter)

REVEREND McGRIFF: First of all, I want to thank the State of New Jersey, the Labor Committee, for having these hearings. And our thanks go to Chairman Stephen Sweeney, Vice President Glenn -- it was 20 years ago when I helped you in your first unsuccessful candidate, but you didn't give up, and we shouldn't give up -- and to the other Committee members. You have my page and a half, which is about one-and-a-half minutes. But there's a couple of things that I think I need to address, and I'll do it very quickly.

Your bonding program: There is a program that I'm familiar with, and I was recognized by the Small Business Administration as a success story. I'm a New Jersey contractor, and I was invited to New York to encourage them to consider the HUBZone: Historically Underutilized Business enterprise. And within the SBA, this HUBZone program has bonding participation. It also has

job financing. If you want a job, you can get a bond. You can get financed. For those of us who are DOT certified -- there was the young lady who spoke before me -- before you give up on that contract, because if you're DOT certified -- SBA with DOT -- if you're HUBZoned at DOT, we'll assist you in getting bonding and in getting financial assistance.

The reason I would like to see Jersey City adopt or modify its bonding program to mimic the HUBZone-- First of all, since 1986, we have been suffering under that *Richmond-Croson* decision, the State of New Jersey really does not have any set-aside telling it there's legally -- because Harvey decided, "Well, he can't support it." It's like the Port Authority said back in 1986, they didn't want to be sued. Just like Goliath was afraid of David.

What happened with the HUBZone program is race neutral. It draws its boundaries around the enterprise zone that you're trying to restructure, that you're trying to improve. And part of the requirement with the Federal Government, this HUBZone program, is that you must hire from the HUBZone. You must have at least a third of your workers living in the HUBZone, your office. You can have as many offices as you want to. Must be located -- so it answers the concern about having local participation.

This program -- we were entered in 2000, and the person was Michael McHale. And he personally solicited us at one of these type of sessions to get into there. Now, has it been easy? No. I've worked Jersey City back before Glenn was mayor. I was one of the few votes you got in your first campaign. I want you to remember that. (laughter)

SENATOR CUNNINGHAM: That was a seed. It grew like a tree.

REVEREND McGRIFF: No problem. There are eight registered voters in my immediate family. If I count my daughter-in-laws, I could come up with almost 16 registered Democrats, okay, Democrats.

Why do you need this bonding? First of all, the benefit of having a HUBZone-like program -- the State is going to save money. I have not bid school construction program, and I've done five schools. And unless I can bid it directly -- I won't work for a GC. Because when he goes down, he takes everybody down with him. I've had people contact me, insisted I give a price on it. Until it is situated such that it's a fair, open, and equal opportunity, I won't participate. The contracts that I've won -- even though I'm certified SBA; I'm certified State of New Jersey; I have all the certification -- the jobs that I've gotten is because I beat the pants out of the guy who was ahead of me, not because I have DBE. And if you get a job because you're a DBE or SBE or an NWBE and they don't want to pay you, call your people. He's not going to get paid if he doesn't meet his percentages.

It's not a set-aside anymore. They have goals that they set out for. Why would you work, why would you support, and you're not being paid? That's not good business sense, that's not good practical sense. And since I'm a Pastor in a church, I work for a living. I can't make anybody do anything. I can't believe that anybody can make you give your money away and do that. What the State is asking for is input on how a bonding program should be. I got a SBA guarantee.

I did a thorough job -- just finished a Federal job -- it was bid at 208. They negotiated me down to 204. I took the job. Eighteen months on job, it's over 300,000. The bonding company is upset with me. The union is

upset with me. My workers are my oldest son -- West Point graduate, class of '87. He's a veteran of Persian Gulf, Glenn's ex-Marine. All of my people are degreed. I have a federally approved apprentices' training program, signed off by the State of New Jersey, Department of Education. I can tell the union to go take a hike.

And if McGreevey thinks that he's going to get away with having union only, well, you just ask many different people in your own Labor Department about the Reverend Sam McGriff, well-known for the last 20 years. Not a muckraker. My kids get paid prevailing wage -- 10 percent above the union scale, which means-- I used to be a union organizer. And if I get a contract that says EEO, I've met and exceeded those goals, because that is my purpose. And that is your purpose.

Check the HUBZone. Check that program. Because if you get a contract as a HUBZone, if it's transportation -- I'm on SBA right now. SBA's HUBZone transportation will give you a bond, and will finance that job for you, if you have the certification. It's a pain in the butt -- do the paperwork.

SENATOR SWEENEY: Reverend, if you could wrap up now, please.

REVEREND McGRIFF: My rope has been pulled.

SENATOR SWEENEY: Thank you, sir.

REVEREND McGRIFF: No problem. (applause)

SENATOR SWEENEY: Mr. Lad Glover.

L A D G L O V E R: I'd like to thank the Mayor, and I'd like to thank everybody for the testimony that they gave, who came up before the Committee.

I'd just like to say that in 1999, I worked with a company that completed one of the first schools that were built here in Jersey City since this new initiative, and that was School 17. In 2001, April 28, they were having target market meetings for this very purpose, and that was over three years ago. And here we are still having these very same meetings.

The only thing I got so far is this shirt. (applause) I'm hoping and I'm praying that we'll really get some change here. I've had the unique experience of being able to work as a shop steward for the union, as a contractor myself. I've been a consultant for Affirmative Action, and also a developer. I've been able to see this from all sides of the spectrum.

Bonding is a serious issue. However, we all know that this is a white man's culture. This is a white man's business. So it's not so much as us getting a bond that's the problem. It's just really getting access. And whatever law you pass, or whatever law that we create, it means nothing without the enforcement. And I've heard a lot of people say a lot of things today, but I think the one thing that nobody said was *enforcement*. We can have 100 million laws, but if nobody is enforcing them, they don't mean anything.

I mean, some of the existing laws -- like we'll talk about P.L.1975, the Affirmative Action Law -- talks about making a good faith effort. Well, nobody can actually define what it means to make a good faith effort.

I think the gentleman here really hit the point when he talked about us doing a Croson study. Because a Croson study, which looks at the historical disparity, will give us the ability to mandate, as opposed to saying, "Let's just have a good faith effort at this." Anything short of a Croson study, we're still

playing that same game. Anything short of enforcement, we just have lost this on the books.

Thank you. (applause)

SENATOR SWEENEY: Thank you, sir.

Mr. Harvey George. (applause)

HARVEY GEORGE: First, I think what I want to do here, more than anything else, I need to talk about our Mayor, because-- And I'm appreciative of people that are here. This is a thing that's sort of long, and I think you heard it on the floor. He's worked with Don almost 15, 20 years. And I think when I first-- I'm an ex-offender. I came straight from the prison. I went to his office, and I told him about the program that I wanted to start. I ran a program in the prison called the Lifer's Group Scared Straight Program. (applause) And I came out, and I wanted to run the same type program. And he said, "Good." He picked up the phone. He called the jail. He said, "Go over to the jail." And then he called the county executive, Mr. Jeff Presley (phonetic spelling).

SENATOR CUNNINGHAM: Presley.

MR. GEORGE: Yes. And I went over there, and he set up a budget. When people want things done and people are trying to do things, they get them done. There is no shortcut to this thing that we sort of see. I sort of think I came into this situation thinking of black and white. The whites control this, and what-- This is a money thing, and I need you all to understand it. This is about the haves and the have nots. (applause)

I'm speaking for a group of people that -- we may not ever get a clearance to do any of this. But I run a program, and I've been on this program 12 years. And I've been investigated and turned upside down, and I'm still

standing. And thank God, we're out here trying to create jobs. Second Chance is a program that, when we talked about it, the Mayor was all for it. He's run it. He's put people -- ex-offenders-- I need you all to understand this here man, because it's not-- We're talking about jobs for just regular people. People with the best of records. But jobs for ex-offenders, people who-- Our streets are cluttered for a reason. There's a problem here.

One of the things that I don't want to talk, without having said something-- And really, Mr. Mayor, I love you and I thank you for all that you've done, and you've been the greatest in helping people who have been down. (applause) And you had it in your mind. And when you have this in your heart, you can't beat it. What we're looking for -- and friends of the Lifers -- we're looking for contracts with this city. And I want somebody to show us how this can get done. I don't have no bonding, and I'm not looking for bonding. I don't have-- I'm not a GC, but I do contracting work. And I'm not looking for a GC to handle the thing. I want a contract with the city or some of these agencies, real estate agencies and things, to do abandoned buildings, board them up. There's a big problem in the city. The abandoned buildings need to be boarded up. (applause) You said, "Show me something, maybe I can get the money."

We got ex-offenders that can do this job. I didn't say take them into the house and do the job. We're going to do the outside of the job. We're going to clean it up. We're going to do senior cleanups. We should be able to go out -- and the seniors in the city who own property and still have property, the city should sponsor the cleanup for them. Their property is being dilapidated because they don't have. There's another thing, upgrading and

cleaning and plastering and painting city properties. They can give us these jobs. I want to know what can be done. I want to know from the Senators, how can we put people back to work that have fell off the map? You're talking about people that's still on the map. I'm talking about people that fell off the map.

I heard a kid say something. He was telling his father. He said, "I went for a job, they told me I needed experience." He said, "How can I get the experience if they won't give me the job?" (applause) You see. So with that said, I said what I wanted to say. We need jobs. And I need anybody -- real estate agents, anybody that has some type of light contracting work -- give us the work. No GC. (applause)

SENATOR SWEENEY: Thank you.

SENATOR CUNNINGHAM: Mr. George, I just-- You don't have to come back to the podium. I just wanted to say we might have a little bit of help on the way in that regards. Not generally relating to the contracting, but we're taking a million dollars from our Urban Enterprise Zone moneys -- these are moneys that come back, the sales taxes come back from the city -- and we're going to dedicate that to hiring people who normally find it difficult to get any kind of employment to do just what you're saying. (applause)

MR. GEORGE: (speaking from audience) As an ex-offender and coming out of prison, that's got to be worth something. Many of us don't last two days or six months. But I'm here, and you know I'm scared.

SENATOR CUNNINGHAM: As you know, we have about 40 ex-offenders now working over at the incinerator authority.

MR. GEORGE: Yes, sir. We want to be out here. We want to work.

SENATOR CUNNINGHAM: Okay. Thank you.

MR. GEORGE: Yes. (applause)

SENATOR SWEENEY: Next we have Ed Chiles.

SENATOR CUNNINGHAM: Chiles.

SENATOR SWEENEY: Chiles, Edward Chiles.

EDWARD CHILES: Good evening, Chairman; to our esteemed Mayor and Senator, Mr. Cunningham; and to the rest of the Committee. Thank you for allowing us this evening to put forth the needs of our community, what it really takes to get these projects done and to help. Hopefully this evening, though, I would like to add a little bit to this discussion in reference to something that might help us. All right.

I'll just read a little excerpt from a contractors' program that is now in effect in the state of Minnesota. The Security Association of America is backing this program. They started this program in 2001. It's called the Model Contractors Development Program for the state of Minnesota. Hopefully, maybe, the State of New Jersey can use some of the good out of this program that they've been able to get started. "Approximately five years ago, the Security Association of America and the National Association of Security and Bond Producers (*sic*) established a security industry partners." This program was set up to address the issues of the bond awareness and availability in that state. As part of the program, the local chapters of these various organizations were encouraged to meet and develop activities and initiatives that would increase bond awareness and availability for minority and other contractors. Some of

the associations, such as the Minnesota Security Association, they've established some more formal outreaches.

Now, the objectives of that program, which is the Model Contractor Development Program, was to establish more minority and women contractors and to inform them about surety bonds and how they could become eligible; and also, to identify resources available to small minority and women contractors in obtaining their first bond. And some of this is including the SBA Bond Guarantee Program, as well as similar state and local programs in their area -- now, also, in assisting small minority and women bondable contractors in increasing their bonding capacity.

Now, the components of the program basically was -- the current Minnesota Surety Association, the project and the initiatives of other surety associations were involved -- and what they've done is, the Model Contractor Development Program, which remains in progress today -- and it was implemented through five phases. One was networking and outreach. That was the initial first phase. The second phase was education and information. And the cornerstone of this component is to establish a series of seminars for small women and minority contractors on various aspects of surety bonding. Because I believe one of the problems that we have is that a lot of our contractors do not understand the ramifications of surety bonding, and how to go about getting those bonds, and how to set their companies up properly so that they will set the criterion that the bonding companies are requiring them to do.

SENATOR SWEENEY: Sir, excuse me one second.

We've just instructed staff to get this program to us, as Senators, so we could review this and give input.

MR. CHILES: Okay.

SENATOR SWEENEY: But if we could wrap this up, because--

MR. CHILES: Okay. Well, I would like to also thank the young lady from the New Jersey School Construction Consortium (*sic*), because before tonight, I don't think anybody in this room knew that those programs existed. I mean, how can we take advantage of these different programs if we don't know that they exist? So I am really happy to see that the School Construction is doing something about it. But I think what you need to do is, please, reach out to us. As a matter of fact, I'm the President of the Hudson County Contractors Association, and we are here to work with you. Because our members are the ones, also, who want to be employed on the school programs. So, please, don't leave us out. (applause)

SENATOR SWEENEY: Thank you, sir. Thank you.

Our last speaker for this evening is Jeffrey Dublin. He's a newly elected school board member. (applause)

J E F F R E Y D U B L I N: Good evening. Good evening, Senator, and Mayor Cunningham, and to the rest of the panel.

SENATOR SWEENEY: Congratulations also.

MR. DUBLIN: Thank you.

Well, if it wasn't for my Senator and Mayor and his great support, this wouldn't have been possible. But I'm here because I am a newly elected school board member. And the point that I want to make is, we do have minority contractors that do live in Jersey City. We're about to spend billions of dollars on building new schools and expanding schools. I'm going to be a big advocate on the board to make sure that minorities do, or are aware of, or make

sure that they know that I'm going to be fighting on there to make sure that they get some of the contracts for these new schools that are going to be built. Because I believe, to build a community we have to start at home first. We have families out there that desperately need, that want to work, that have to feed their families and looking for the opportunity to do it. And I believe that this bill here is a step in the right direction. But it's also up to people that's in a position, whether there's a school board or whether there's a city council.

Now, I have to remind you, eight years ago we had an administration that did nothing. We have an administration that's doing something now, and we are grateful of that. And some of these people that were a part of that administration eight years ago had the opportunity to do it, and they're not doing it. And they're still trying to hold it up. We're telling them tonight, today -- is just join a good cause and stop supporting a bad cause.

Thank you. (applause)

SENATOR SWEENEY: Thank you.

Ma'am.

YADIKA AGUIRRE: He gave up his three minutes. I didn't give up my minutes.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Get up there and talk.

SENATOR SWEENEY: All right, Ma'am. Please. This is it. He didn't say that when he gave his three minutes up. (laughter)

MS. AGUIRRE: He's always doing that to me.

SENATOR CUNNINGHAM: This would have to be the only one, though.

SENATOR SWEENEY: This is it. Go ahead. You got it.
Please, everyone, give consideration.

MS. AGUIRRE: I wanted to speak because I'm a woman. I'm a minority contractor, with Freddie's Painting. He's the President. I'm the Vice President. We can't afford to pay all the people, so-- I also supervise and teach the new people coming in. All right. The way that happens is when I got out of high school, I went into the service -- the Air Force -- and when I came out, communications specialist, I couldn't get a job. So I had a child that I have to take care of, so I had to get on public assistance. I didn't like it. So when she was, like, 6 years old and I could leave her with other people, I went to school.

I got me a job. When I got the job, the president gave pink slips. I wasn't there that long. I met him, and he took me to the jobs with him, and I learned how to do the work. Once I learned how to do the work, we decided that we were going to start our own business. Because when we went for jobs, because I'm a woman, they won't take me even though I could paint better than most of the men that were painters. They won't take me. So he takes me. They won't take him because he had a woman working with him. So I said, "Well, let's start our own business." So we went to New York City. On a shopping cart, we had one roller, one brush, and one drop cloth. All right. And we would get on the subway, we would get seats because nobody would want to sit next to us, you know, with the paint. So that was the good thing about it. But that's how we did traveling back and forth -- Brooklyn, Bronx, and all that -- painting in a shopping cart. And then we moved over here, and we bought a beat-up truck, started our own company, independent contractors.

We do private jobs. And in the matter of five years, we created a circle where we could survive, by monthly being able to pay the bills. But as you could see, getting uniforms is not an easy thing, because we don't have money left for that. (indicating clothes) (applause) It's true. And every time we try to fix the truck or something, we don't have enough money for new equipment. So we got to keep on washing the rollers and putting duct tape on the sticks so we could keep on working.

Now we said -- Mr. Don Wilson, and Friends of Lifers, and Chiles -- thanks to them, they showed us the way. They said that if we got out the proper paperwork that we'd be able to get big jobs. Because even though we put in bids for them, like everybody else, we don't qualify. So if we had that, then maybe we could at least get new uniforms, anything.

And by the way, when they had the elections, which nobody mentioned, through the mail we got a paper with everybody's picture in it--

SENATOR SWEENEY: You'd better not have gotten mine.

MS. AGUIRRE: No. I threw them all out. But when it comes to you, somehow, in my guts, I liked you guys. (laughter) Not only I voted for you, I got my husband to register and vote, because he never voted before. And on my spare time--

SENATOR CUNNINGHAM: You have another five minutes.

MS. AGUIRRE: Yes, okay. (laughter) (applause)

SENATOR SWEENEY: Ma'am, would you please wrap it up?

I V A N T U R N I P S E E D: Mr. Mayor, Mr. Mayor, Mr. Mayor, I just want to say this. Excuse me. Excuse me. If you all could pull this through for us, for the small contractors, it would be like hitting the Lotto.

Thank you.

SENATOR SWEENEY: Thank you.

MS. AGUIRRE: Thank you. (applause)

Wait.

SENATOR SWEENEY: Ma'am, please.

MS. AGUIRRE: No, no. Listen. When I saw your picture, after work, I went and told people that they should vote for you.

SENATOR CUNNINGHAM: Thank you.

SENATOR SWEENEY: Thank you, Ma'am.

MS. AGUIRRE: You know, you understand? So please help us out. (applause)

SENATOR CUNNINGHAM: Thank you.

SENATOR SWEENEY: Thank you.

Well, we finished it up well.

Excuse me. Excuse me, please.

I want to thank everyone for coming out tonight, and we had a lot of government agencies represented here, also, tonight. We do understand what some of the problems are. Senator Cunningham, Mayor Cunningham asked us to come to Jersey City first to have this type of hearing. We know some of the problems that exist. You heard some information that several people in the room said they did not know. Government is famous for having programs. They just don't tell people how to access them. (applause) And the purpose of this meeting is to present information and to get some agreements. And I thought we made a major step when we had the head of the School

Construction Corporation agree to sit down with the Mayor to assure that the local people will be well-aware of what's going on. That's step one.

And congratulations to the Mayor.

I want to thank everyone here for coming. (applause)

And I'm going to have the Mayor close it out.

SENATOR CUNNINGHAM: I'd like to thank my colleagues for coming to Jersey City. It's been a long day.

I'm going to ask Assemblyman Lou Manzo, a good friend of the community and the 31st District and our Assemblyman, to say a few words.

Lou.

ASSEMBLYMAN MANZO: Thank you, Mayor.

And I want to thank Chairman/Senator Sweeney for bringing this hearing here on the urging of our Mayor.

Senator Coniglio, thank you for coming here.

The bonding barriers need to be improved, and I think this Senate Committee has heard that. And whatever I can do on the Assembly side to help that, I certainly will lend into that. But more importantly, what you've heard here tonight is a bigger barrier.

I know years ago they passed civil rights laws, but it didn't mean that the day they passed them that the next day everything was fine. There is a barrier here. We have over a billion dollars scheduled in new building to be done in this city, not only in schools, but on another waterfront. And to look through this city and see our street corners, and see a mayor trying to help people-- And to not recognize that we need to put people to work, and we have

an opportunity to do that -- we should use every effort, every link of government to make that happen. (applause)

Two key things that might help is, number one, mandating that general contractors pay their subcontractors within a certain time frame to make sure that they're not (indiscernible). And two, I would urge that someone look and find a way that guarantees when money, whether it's State or Federal, is coming in to an area to be used for construction -- that there must already be demonstrated that those government entities, that are going to construct and who do the pooling, have demonstrated that they have gone out and secured and trained and made the effort to teach people how to get bonding approval, to put them through programs, and to make that guarantee. Without that, we will continue to build cities without the people in them.

Thank you. (applause)

SENATOR SWEENEY: Thank you.

Senator Coniglio.

SENATOR CONIGLIO: I would like to thank Senator Sweeney, also. And I would like to thank Senator Cunningham for hosting this evening's event. I think this evening was a learning process for everyone. Do we agree? And I think that we've started the education process moving forward. We've opened some doors here today. And I think what's more important to everyone here is that you were exposed to some different things. I was exposed to some different things. We heard a lot of things. We learned a lot of things. And I think that we'll be able to move forward from here with a clear understanding. Because in my estimation, you were exposed to something, and exposure is the greatest teacher for everyone.

Thank you.

SENATOR SWEENEY: Thank you.

And we're going to wrap up with the Senator/Mayor.

SENATOR CUNNINGHAM: Thank you.

I'd just like to thank my colleagues and the members of the staff who came out this evening. And especially, I want to thank the people, because we wanted to hear you. We wanted to connect human beings with the stories that we've heard, and you've done that for us.

We're going to work very hard to come up with some solutions. And we're asking you to submit, in writing, any ideas that you have as to what steps we can take to try to improve the situation as it is now.

Thank you very much for coming out. (applause)

SENATOR SWEENEY: Thank you.

The meeting is adjourned.

(HEARING CONCLUDED)