

KEY COMPLIANCE CHALLENGES IN THE CONSTRUCTION INDUSTRY

Anchin's Regulatory Compliance and Investigations (RCI) team has an extensive background in delivering compliance tracking, MWBE monitorship and wage and hour services to our clients. Our team is comprised of experts with experience in providing oversight in both the public and private construction sectors throughout the pre-construction, construction and post-construction stages, ensuring that any and all questions or challenges you face can be easily resolved by our team. Our clients have included public entities, Fortune 1000 corporations, Global 100 companies, public-private partnerships, healthcare networks, private ownership groups and not-for-profits. By leveraging our internal expertise, proprietary information, and existing relationships with state and local governments and NGOs, we can help you build outreach and ensure proper oversight on your construction projects.

COMPLIANCE TRACKING & MONITORING

Some key compliance-related services offered by the Anchin RCI group include:

- Developing systems in order to reliably track compliance data for stakeholders;
- Assuring continuous compliance with diverse legal requirements facing public construction projects;
- Identifying and remedying compliance gaps through our monitoring and audit services;
- Monitoring the submission, processing and report creation of compliance data;
- Reviewing contractor compliance plans to evaluate whether subcontractors pass Commercial Useful Function requirements.
- Use of a phased approach to ensure that deadlines and reporting requirements are met without interruption to projects.



In 2018, **25,294** citations were issued as a result of **10,291** inspections.

A total of **\$73,660,506** in fines was owed.

SUCCESSSES

SUNY Albany, Building 27: Engaged by a large, public university for compliance monitoring and tracking on a \$31 million construction project.

Rochester: Retained by a school board to render a forensic analysis of the quality and accuracy of the work performed by the former Independent Compliance Officer. Our team identified significant errors in the former ICO's reporting of the historical workforce data.

Onandaga County Purchasing Office: Engaged to examine and monitor adherence to certain MWBE, DBE and small business entity (SBE) minimum requirements.

Using digital systems, analytical procedures and controls and processes, we reviewed and verified approximately 1,999,000 hours for this project.

Olympic Regional Development Authority (ORDA): Engaged to conduct a compliance review for a \$24 million construction and renovation project, and recommend MWBE compliance goals for the project based on our findings. We were able to use North American Industry Classification System (NAICS) Codes to produce a list of MBE and WBE firms near the site and continuously monitor the project and performance in accordance with our recommended goals.

MWBE WORK

Many of the engagements we monitor include minority, women, disadvantaged, and small business compliance goals. A major focus is to examine and monitor compliance with these goals and regulations. We do this by incorporating the latest digital systems, analytical procedures, controls and processes to ensure diversity goals throughout the bidding process and the engagement itself.



Our outreach, monitoring and compliance reviews have resulted in **\$178 million** awarded to disadvantaged businesses.

According to the Bureau of Labor Statistics, only **9.9%** of construction professionals are women.

MWBE WORK

SUCSESSES

New Rochelle: Engaged by a New York State-based Industrial Development Agency (IDA) to develop and implement an ongoing, interactive monitoring approach to track and improve the contractor's compliance with an Economic Opportunity and Nondiscrimination policy and the use of New Rochelle residents and Apprentices. Our team is developing a concise and effective reporting system to present periodic reports to relevant stakeholders.

Utica, NY Hospital Project: Engaged to develop a multi-phase diversity outreach plan for a \$500 million hospital construction project in Utica, NY.

Rochester Phase 1/2: Engaged as an independent monitor on a large, multi-phase construction and revitalization project of a school district to ensure the implementation of designated MWBE, DBE and SBE minimum requirements.

WAGE & HOUR

Anchin ensures that developers and their contractors and subcontractors are using a prevailing wage. To do this, we examine and process certified payroll reports and wages paid in accordance with Davis-Bacon wage rates.

We are able to:

- Develop a system to track wages paid to workers and the prevailing wages for each trade or occupation type;
- For each worker requiring a prevailing wage, determine each the appropriate trade or occupation and the wages being earned, utilizing the NY Prevailing Wage Rate from the NY Comptroller's Office;
- Document our findings in a tracking system that captures all necessary information;
- Assist construction companies with both determining which employees are subject to the average hourly wage rules and what benefits can be included in calculating the average hourly wage paid to employees;
- Prepare the calculation of the average hourly wage paid to employees, to be submitted in a report to the State;
- Assist clients in assessing their compliance with the section 3614-c wage parity requirement to home healthcare providers performing Medicaid-reimbursed services in various areas (for NYS, this includes NYC, Westchester, Nassau or Suffolk Counties);
- Ensure that the payment of wage parity has been to or on behalf of the employees; and
- Verify that the wage parity fees assessed by any third parties are reasonable.

Since 1985, the U.S. Department of Labor's Wage and Hour Division has reported over **119,000 violations** of the Davis-Bacon Act.



Violations of labor law in New York State can result in fines of up to **\$3,000** or imprisonment, as well as a civil money penalty of up to **\$10,000** each.

Anchin's professionals have monitored and verified more than **4 million** hours of labor. Violators paid over **\$197 million** in back wages to their employees.

SUCSESSES

Onondaga County Purchasing Office: Reviewed compliance to the Davis-Bacon Act for prevailing wages and the project labor agreement in place.

SUNY Albany Building 27: In accordance with the project labor agreement, our team reviewed and maintained certified payroll reports and other documentation to verify

contractor compliance with the Davis-Bacon Act. Our team reviewed each contractor's payroll documentation on a monthly basis to verify each worker's trade, job classification, hourly rate, and benefits. Utilizing the New York State Department of Labor – Prevailing Wage Rate Schedule, our team could verify that employees were receiving at least the required pay rate for their work.



Brian Sanvidge, CIG, CFE

Principal
Leader of Regulatory Compliance & Investigations
212.536.6985
brian.sanvidge@anchin.com

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