

# *News from CWA Local 1032*

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## **COST ANALYSIS COULD SAVE NEW JERSEY \$26 MILLION ANNUALLY**

*Breaking The Pay to Play Nexus at DOT*

“New Jersey could save \$26 million annually just at the Department of Transportation (DOT) by moving engineering work from politically connected consulting firms to state engineers,” says Jim Marketti, President of Communications Workers of America (CWA) Local 1032.

“These three new studies by DOT of engineering and bridge inspection work show savings of between 30 and 52% by bringing this work in-house,” continued Marketti. “The last cost analysis by DOT, a decade ago, also showed significant savings by bringing work in-house; yet since then the amount of engineering contracted out has skyrocketed while the number of state engineers has plummeted.” CWA Local 1032 represents 2,400 employees at the New Jersey Department of Transportation in administrative, clerical, professional (including professional engineers), and supervisory positions.

Referring to a report by CWA Local 1032 on New Jersey political contributions

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by consulting engineering firms Marketti said, “There are 8 million reasons why contracting of engineering work keeps expanding. That’s why we need Pay to Play and Cost Analysis legislation to be passed in the lame duck.” Consulting engineering firms working for DOT contributed \$8,547,545 to state and county political committees and candidates over four and one half years from 1999 through mid-2003.

Cost Analysis legislation would require the state to determine if work could be done more economically and efficiently by state workers or contractors prior to contracting out work.

“Pay to Play and Cost Analysis are the twin pillars of contract and procurement reform in New Jersey,” said Harry Pozycki, Chairman of New Jersey Common Cause. “Both are key to restoring confidence in government and creating a climate to spur civic participation.”

“Citizens are dumbfounded when they learn that the state doesn’t even check to see if public workers could do this work less expensively. Savings from Cost Analysis is especially needed now when New Jersey faces yet another tough budget,” added Dena Mottola, Executive Director of New Jersey Public Interest Research Group.

“Sometimes things are exactly as they appear,” continued Jeff Tittel, Executive Director of the New Jersey Sierra Club. “When engineering firms and developers are so central to funding politics, is it any surprise that the environment is often ignored and the state gets a bad deal on work that needs to be done?”

According to Steve Bonime of New Jersey Citizen Action, “Citizens want to see real reform in how business gets done in Trenton. That includes passing Cost Analysis

legislation, stopping Pay to Play, and implementing a new system to replace what we've got now. The current system of political contributors being rewarded with fat contracts is much more expensive than any system of public financing could possibly be.”

Cost Analysis legislation (A 706 for state government and A 713 for county government) sponsored by Assemblywoman Loretta Weinberg was approved by the Assembly in the Spring. In the Senate two sets of bills are identical or very similar to the legislation passed by the Assembly. S 2683 and S 2664, sponsored by Senator Geist, are identical to the legislation passed by the Assembly. S 1543 and S 1682, introduced by Senator Furnari, are an unamended version of the original Weinberg bills.

The Advisability Studies by the New Jersey Department of Transportation review contracting practices for engineering design (pre-construction work), construction engineering (inspection), and bridge inspection. Using a conservative method of estimating costs, the avoidable cost basis, DOT determined that on work in each category could be performed less expensively by state employees than by consultants.

In the case of bridge inspection, it was found that state employees could perform the work 52% cheaper. For construction engineering, the difference was 33% and for engineering design, 30%. Savings across all three categories average 38.3%.

NJDOT expenditures for fiscal year 2002 for these three categories of work totaled \$67.3 million. A 38.3% savings of these expenditures amounts to \$26 million annually.