

Labor Monitoring Report Matrix Newburgh



Matrix Newburgh, LLC
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Project 16-294

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Executive Summary

As authorized and contracted by the Orange County IDA, the auditing team represented by Fellenzer Engineering, LLP continues to monitor the Local Labor Policy compliance of the Matrix Newburgh project. The Local Labor Policy creates two major requirements for projects that receive benefits from the OCIDA; a labor requirement mandating the use of 85% local labor and a procedural requirement that “every effort” be made to use local vendors, material suppliers, subcontractors, and professional services. For the purpose of our audits, we have decided to primarily focus on the first 85% local labor requirement.

Fellenzer Engineering conducted a review of the Matrix’s Newburgh project based on the sign-in sheets and estimated labor breakdown provided by Blue Rock Construction. The project currently stands at 86.8% local labor participation. Blue Rock Construction indicated that the July reporting is the final reporting for the project, bringing the total local labor participation above the 85% threshold. Total recorded labor hours for the project are 179,324, with 38,112 exempt hours and 122,539 local hours.

Authorization

Fellenzer Engineering, LLP, as the prime contact for our labor audit team consisting of Fellenzer Engineering, LLP, Judelson, Giordano, & Siegel, CPA, PC (JGS), and Blustein, Shapiro, Rich & Barone, LLP, were authorized via an audit agreement dated August 15, 2016. This authorization retained the auditing team to assist with monitoring adherence to the Orange County IDA's Local Labor Policy and assigned them to monitor the Matrix Newburgh project.

Overview of the Orange County IDA's Labor Policy

The IDA's Labor Policy creates two labor based restrictions for projects benefiting from IDA benefits. Both of these restrictions exist to benefit construction workers and construction related companies that are local to Orange, Ulster, Sullivan, Dutchess, Putnam, Rockland, and Westchester Counties and to promote the general welfare of Orange County.

First, 85% of the construction labor for IDA approved projects must be provided by workers living in the 7 counties area. The scope of this 85% is limited to construction workers as outlined by the IDA, not including suppliers, professional services, and vendors. The labor policy does not define whether the 85% compliance is in regards to total time or value (in dollars). For compliance, the IDA requires the construction manager to "keep a log book on site detailing the number of workers on the job for each trade and the counties in which they reside" and to make these records available for periodic inspection. Based on Fellenzer Engineering's discussions with the IDA, the 85% local labor amount was meant to be calculated by hours of labor worked across contractors and sub-contractors. It is noted that the log book of workers onsite and their home counties may be insufficient for determining the percentage of local labor hours spent on the project, as workers across different trades may have different daily lengths of time on the job site.

Exemptions are available on warranty support, specialized construction, cost differential, labor scarcity, and special skills bases. Exempted construction labor does not count against the 85% requirement. These exemptions are at the discretion of the Executive Director of the IDA and are reported to the Board of Directors at each meeting.

Second, the IDA applicant and contractors "shall make every effort to utilize vendors, material suppliers, subcontractors, and professional services from Orange County and the surrounding counties." This is a much wider requirement; it establishes a very high priority for both local construction labor and local construction related businesses. The meaning of "every effort" isn't rigorously defined, but the IDA's labor policy requires records of solicitations and awards to demonstrate compliance.

Interim Findings

On April 25th, Fellenzer Engineering received a set of labor hour reports and sign-in sheets from Ryan Smith, a Project Engineer with Blue Rock Construction. Blue Rock Construction has reduced their presence on site, as the project enters its final work.

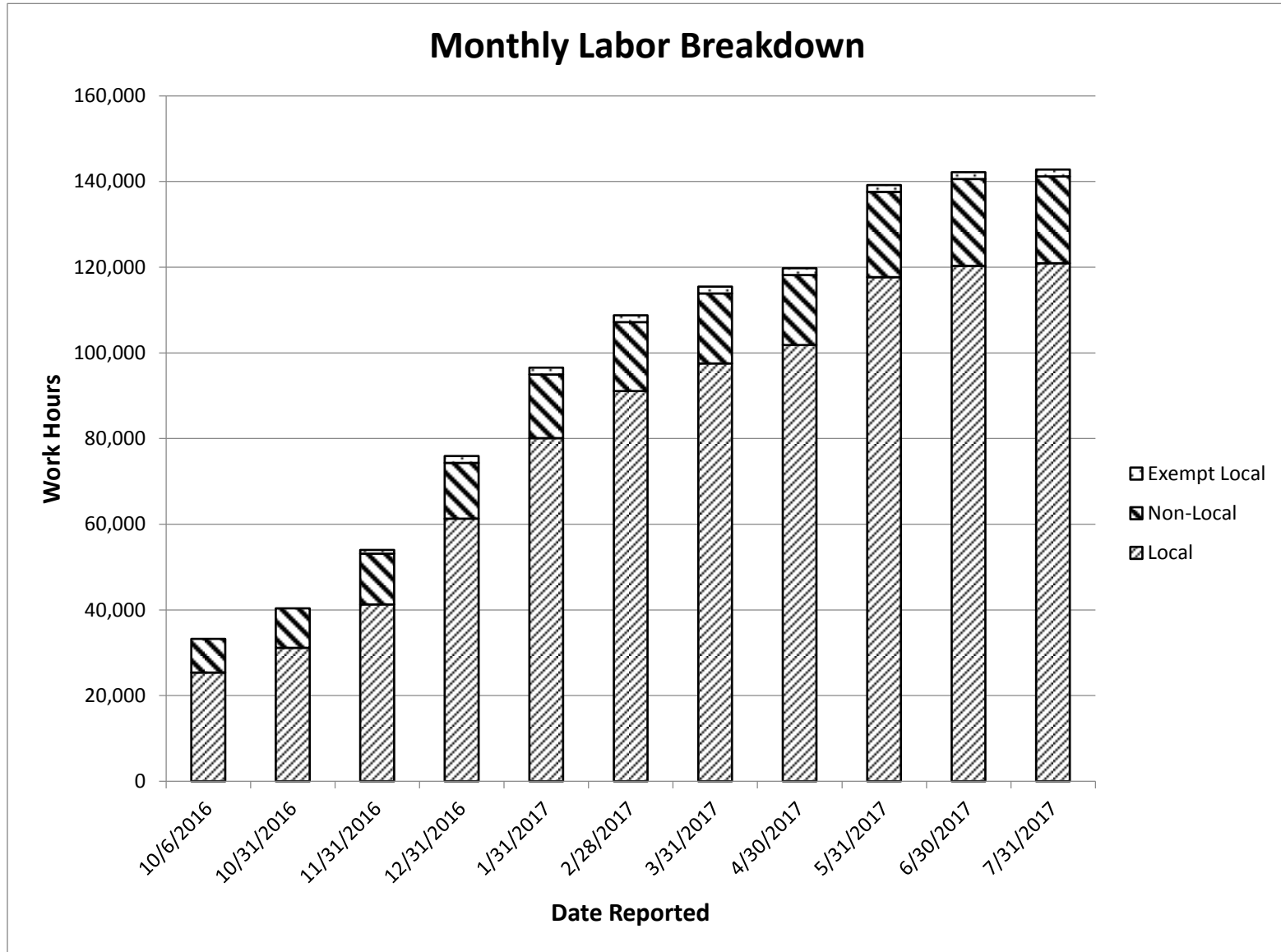
On April 28st, Fellenzer Engineering visited the Matrix Newburgh site and met with Jim Moran, the lead superintendent on site. We discussed progress on the project to date and the time table for future work.

AmerisourceBergen has taken possession of their portion of the facility and currently have their own outside contractors finalizing operational fit out. This includes setting up conveyors and other hardware specific to their pharmaceutical distribution system. It is unclear whether these contractors fall under the local labor policy, as they are not part of the Matrix contract and instead are authorized by the tenant of the space (Amerisource). The conveyor belt contractor is Axcon Corporation, based out of Pensacola, Florida. Minor punch-list items are still being finished by Blue Rock's contractors.

The concrete slab pouring for the Amscan portion of the facility is nearing completion, with one of the final pours taking place on April 28th. The work to lay the top coat for the paved road at the facility is scheduled to start on May 5th. Dobrinski Brothers, the site and civil contractors, are expected to remain on site through mid-June. Dobrinski's earth moving operations are reliant on favorable weather, so this may change depending on the amount of rain on site.

Of the contractors reporting to Blue Rock Construction, 86.8% of the labor is local to the 7 county area. Of the 179,324 hours reported, 122,539 have been local and 38,112 have been exempt.

Appendix, Month by Month Labor Breakdown



Appendix, March Labor Breakdown Provided by Blue Rock

Matrix Newburgh I, LLC.
 ESTIMATED LABOR BREAKDOWN

DIV	IDA Status	Company Name	Trade	Estimated- Total Job		Current - 7/31/17		Vendor local	Dobrinski local	Dobrinski Non local	Dobrinski Total Hours
				Total Labor - Hours	Local Labor Hours	Total	Total Local				
2	Conforms	Dobrinski	Sitework***	58,378	46,042	63,918	47,088	15,345	31,743	16,830	48,573
3	Exemption Price	GMAC	Concrete	3,450	-	12,844	1599				
3	Exemption Specialized	Fabcon	Precast	2,713	-	2,659	0				
5	Exemption Price	Steel Fab	Structural Steel	10,200	-	8,962	0				
5	Exemption Price	Kenric	Misc. Metals	2,000	-	1705.75	0				
6	Conforms	EDW Drywall	Carpentry			12,314	12,314				
7	Exemption Price	Eastern Roofing Systems	Roofing	4,066	-	8,468	0				
7	Exemption Specialized	John R. Logan Enterprises	Caulking and Sealants	1,342	-	154	0				
8	Conforms	Ulster County Glass	Glass	1,000	1,000	1,111	1,111				
9	Exemption Price	Van Eerden Coatings Company	Painting	4,193	-	2743	0				
11	Exemption Specialized	Warehouse Technologies	Loading Dock Equipment	640	-	576	0				
15	Conforms	Armistead	Plumbing/HVAC	14,070	14,070	7,629	7,629				
15	Conforms	Comunale	Sprinkler***	3,675	3,675	3,645	203				
16	Conforms	Perreca Electric	Electric	26,802	26,802	34,489	34,489				
1	Conforms	Facilities Maintenance Corporation	Cleaning		-	2,761	2,761				
Totals				103,925	91,589	125,866	107,193				

*** Please note that these labor hours are BRCI estimates and require subcontractor verification

Estimated Local Labor Participation Rate 88.13%

Current Local Labor Participation Rate 85.16%

Appendix, Table of Labor Hours by Date Reported

Company	May 2016 - 10/6/16 Reported			10/31/16 Reported				
	Total	Local	% Local	Total To Date	Monthly Total	Local To Date	Monthly Local	Monthly % Local
Armistead Mechanical	1,244	1,244	100%	3,797	2,553	3,797	2,553	100%
Comunale	156	-	-	156	-	-	-	-
Dobrinski Brothers, Inc	25,009	17,256	69%	29,552	4,543	20,527	3,271	72%
Dobrinski Deliveries	-	-	-	-	-	-	-	-
EDW Drywall	-	-	-	-	-	-	-	-
Facilities Maintenance Corporation	-	-	-	-	-	-	-	-
Perreca Electric Co., Inc	6,844	6,844	100%	6,844	-	6,844	-	-
Ulster County Glass	-	-	-	-	-	-	-	-
Building Control Integrators	-	-	-	-	-	-	-	-
Eastern Roofing Systems, Inc	338	-	-	5,676	5,338	-	-	-
Fabcon Precast, LLC	2,659	-	-	2,659	-	-	-	-
GMAC Construction, LLC	3,816	-	-	6,831	3,015	-	-	-
John R Logan	-	-	-	-	-	-	-	-
Keneric, Inc	-	-	-	-	-	-	-	-
Steelfab of Virginia, Inc	8,508	-	-	8,508	-	-	-	-
Van Eerden Coatings Company	-	-	-	-	-	-	-	-
Warehouse Technologies	-	-	-	-	-	-	-	-
Total Non-Exempt Labor Hours	33,253	25,344		40,349	7,096	31,168	5,824	82%
Total Labor Hours	48,574	25,344		64,023	15,449	31,168	5,824	
Local Labor Percent	76.2%			77.2%				

Non-Exempt Company
Exempt Company

Orange County IDA Labor Monitoring, Matrix Newburgh
 FE Project 16-294

Company	11/31/16 Reported					12/31/16 Reported				
	Total To Date	Monthly Total	Local To Date	Monthly Local	Monthly % Local	Total To Date	Monthly Total	Local To Date	Monthly Local	Monthly % Local
Armistead Mechanical	5,021	1,224	5,021	1,224	100%	6,251	1,230	6,251	1,230	100%
Comunale	1,556	1,400	-	-	-	1,556	-	-	-	-
Dobrinski Brothers, Inc	33,733	4,181	23,453	2,926	70%	37,009	3,276	25,549	2,096	64%
Dobrinski Deliveries	-	-	-	-	-	7,470	-	7,470	-	-
EDW Drywall	2,225	2,225	2,225	2,225	100%	6,105	3,880	6,105	3,880	100%
Facilities Maintenance Corporation	-	-	-	-	-	-	-	-	-	-
Perreca Electric Co., Inc	10,580	3,736	10,580	3,736	100%	15,597	5,017	15,597	5,017	100%
Ulster County Glass	-	-	-	-	-	328	328	328	328	100%
Building Control Integrators	-	-	-	-	-	-	-	-	-	-
Eastern Roofing Systems, Inc	7,519	1,843	-	-	-	7,519	-	-	-	-
Fabcon Precast, LLC	2,659	-	-	-	-	2,659	-	-	-	-
GMAC Construction, LLC	9,890	3,059	870	870	28%	11,646	1,756	1,599	729	42%
John R Logan	154	154	-	-	-	154	-	-	-	-
Keneric, Inc	-	-	-	-	-	495	495	-	-	-
Steelfab of Virginia, Inc	8,962	454	-	-	-	8,962	-	-	-	-
Van Eerden Coatings Company	742	742	-	-	-	1,354	612	-	-	-
Warehouse Technologies	63	63	-	-	-	191	128	-	-	-
Total Non-Exempt Labor Hours	53,115	12,766	41,279	10,111	86%	74,316	13,731	61,300	12,551	97%
Total Labor Hours	83,104	19,081	42,149	10,981		107,296	16,722	62,899	13,280	
Local Labor Percent	79.4%					84.6%				

Non-Exempt Company
Exempt Company

Orange County IDA Labor Monitoring, Matrix Newburgh
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Company	1/31/17 Reported					2/28/17 Reported				
	Total To Date	Monthly Total	Local To Date	Monthly Local	Monthly % Local	Total To Date	Monthly Total	Local To Date	Monthly Local	Monthly % Local
Armistead Mechanical	7,349	1,098	7,349	1,098	100%	7,629	280	7,629	280	100%
Comunale	2,537	981	42	42	4%	3,375	838	203	161	19%
Dobrinski Brothers, Inc	40,550	3,541	28,206	2,657	75%	42,643	2,093	29,776	1,570	75%
Dobrinski Deliveries	11,243	3,773	11,243	3,773	100%	14,209	2,966	14,209	2,966	100%
EDW Drywall	10,484	4,379	10,484	4,379	100%	11,407	923	11,407	923	100%
Facilities Maintenance Corporation	408	408	408	408	100%	408	-	408	-	-
Perreca Electric Co., Inc	21,664	6,067	21,664	6,067	100%	26,364	4,700	26,364	4,700	100%
Ulster County Glass	686	358	686	358	100%	1,111	425	1,111	425	100%
Building Control Integrators	-	-	-	-	-	-	-	-	-	-
Eastern Roofing Systems, Inc	8,468	949	-	-	-	8,468	-	-	-	-
Fabcon Precast, LLC	2,659	-	-	-	-	2,659	-	-	-	-
GMAC Construction, LLC	11,646	-	1,599	-	-	11,909	263	1,599	-	-
John R Logan	154	-	-	-	-	154	-	-	-	-
Keneric, Inc	1,087	592	-	-	-	1,595	508	-	-	-
Steelfab of Virginia, Inc	8,962	-	-	-	-	8,962	-	-	-	-
Van Eerden Coatings Company	1,354	-	-	-	-	2,554	1,200	-	-	-
Warehouse Technologies	456	265	-	-	-	560	104	-	-	-
Total Non-Exempt Labor Hours	94,921	20,605	80,082	18,782	91%	107,146	12,225	91,107	11,025	90%
Total Labor Hours	129,707	22,411	81,681	18,782		144,007	14,300	92,706	11,025	
Local Labor Percent	86.1%					86.5%				

Non-Exempt Company
Exempt Company

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Company	3/31/17 Reported					4/30/17 Reported				
	Total To Date	Monthly Total	Local To Date	Monthly Local	Monthly % Local	Total To Date	Monthly Total	Local To Date	Monthly Local	Monthly % Local
Armistead Mechanical	7,629	-	7,629	-	0%	7,629	-	7,629	-	-
Comunale	3,645	270	203	-	0%	3,645	-	203	-	-
Dobrinski Brothers, Inc	43,707	1,064	30,839	1,063	100%	45,124	1,417	32,257	1,418	100%
Dobrinski Deliveries	14,209	-	14,209	-	-	15,345	1,136	15,345	1,136	100%
EDW Drywall	11,939	532	11,939	532	100%	12,066	127	12,066	127	100%
Facilities Maintenance Corporation	2,761	2,353	2,761	2,353	100%	2,761	-	2,761	-	-
Perreca Electric Co., Inc	28,860	2,496	28,860	2,496	100%	30,455	1,595	30,455	1,595	100%
Ulster County Glass	1,111	-	1,111	-	-	1,111	-	1,111	-	-
Building Control Integrators	-	-	-	-	-	-	-	-	-	-
Eastern Roofing Systems, Inc	8,468	-	-	-	-	8,468	-	-	-	-
Fabcon Precast, LLC	2,659	-	-	-	-	2,659	-	-	-	-
GMAC Construction, LLC	11,909	-	1,599	-	-	12,844	935	1,599	-	-
John R Logan	154	-	-	-	-	154	-	-	-	-
Keneric, Inc	1,706	111	-	-	-	1,706	-	-	-	-
Steelfab of Virginia, Inc	8,962	-	-	-	-	8,962	-	-	-	-
Van Eerden Coatings Company	2,554	-	-	-	-	2,743	189	-	-	-
Warehouse Technologies	576	16	-	-	-	576	-	-	-	-
Total Non-Exempt Labor Hours	113,861	6,715	97,551	6,444	96%	118,136	4,275	101,827	4,276	100%
Total Labor Hours	150,849	6,842	99,150	6,444		156,248	5,399	103,426	4,276	
Local Labor Percent	87.1%					87.5%				

Non-Exempt Company
Exempt Company

Orange County IDA Labor Monitoring, Matrix Newburgh
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Company	5/31/17 Reported					6/30/17 Reported				
	Total To Date	Monthly Total	Local To Date	Monthly Local	Monthly % Local	Total To Date	Monthly Total	Local To Date	Monthly Local	Monthly % Local
Armistead Mechanical	7,629	-	7,629	-	-	7,629	-	7,629	-	-
Comunale	3,645	-	203	-	-	3,645	-	203	-	-
Dobrinski Brothers, Inc	62,294	17,170	45,870	13,613	79%	63,918	1,624	47,088	1,218	75%
Dobrinski Deliveries	15,345	-	15,345	-	-	15,345	-	15,345	-	-
EDW Drywall	12,142	76	12,142	76	100%	12,169	27	12,169	27	100%
Facilities Maintenance Corporation	2,761	-	2,761	-	-	2,761	-	2,761	-	-
Perreca Electric Co., Inc	32,617	2,162	32,617	2,162	100%	34,009	1,392	34,009	1,392	100%
Ulster County Glass	1,111	-	1,111	-	-	1,111	-	1,111	-	-
Building Control Integrators	-	-	-	-	-	-	-	-	-	-
Eastern Roofing Systems, Inc	8,468	-	-	-	-	8,468	-	-	-	-
Fabcon Precast, LLC	2,659	-	-	-	-	2,659	-	-	-	-
GMAC Construction, LLC	12,844	-	1,599	-	-	12,844	-	1,599	-	-
John R Logan	154	-	-	-	-	154	-	-	-	-
Keneric, Inc	1,706	-	-	-	-	1,706	-	-	-	-
Steelfab of Virginia, Inc	8,962	-	-	-	-	8,962	-	-	-	-
Van Eerden Coatings Company	2,743	-	-	-	-	2,743	-	-	-	-
Warehouse Technologies	576	-	-	-	-	576	-	-	-	-
Total Non-Exempt Labor Hours	137,544	19,408	117,678	15,851	82%	140,587	3,043	120,315	2,637	87%
Total Labor Hours	175,656	19,408	119,277	15,851		178,699	3,043	121,914	2,637	
Local Labor Percent	86.7%					86.7%				

Non-Exempt Company
Exempt Company

Orange County IDA Labor Monitoring, Matrix Newburgh
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Company	7/31/17 Reported				
	Total To Date	Monthly Total	Local To Date	Monthly Local	Monthly % Local
Armistead Mechanical	7,629	-	7,629	-	-
Comunale	3,645	-	203	-	-
Dobrinski Brothers, Inc	62,294	-	45,870	-	-
Dobrinski Deliveries	15,345	-	15,345	-	-
EDW Drywall	12,314	145	12,142	145	100%
Facilities Maintenance Corporation	2,761	-	2,761	-	-
Perreca Electric Co., Inc	34,489	480	34,489	480	100%
Ulster County Glass	1,111	-	1,111	-	-
Building Control Integrators	-	-	-	-	-
Eastern Roofing Systems, Inc	8,468	-	-	-	-
Fabcon Precast, LLC	2,659	-	-	-	-
GMAC Construction, LLC	12,844	-	1,599	-	-
John R Logan	154	-	-	-	-
Keneric, Inc	1,706	-	-	-	-
Steelfab of Virginia, Inc	8,962	-	-	-	-
Van Eerden Coatings Company	2,743	-	-	-	-
Warehouse Technologies	576	-	-	-	-
Total Non-Exempt Labor Hours	141,212	625	120,940	625	100%
Total Labor Hours	179,324	625	122,539	625	
Local Labor Percent	86.8%				

Non-Exempt Company
Exempt Company