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(518) 869-9800

December 2024

Wishing You Happy Holidays and a Healthy, Prosperous 2025

Contractor/Subcontractor Registration Becomes Effective December 30, 2024

In late 2022 Governor Kathy Hochul signed legislation requiring contractors and subcontractors performing public work (or work on covered private projects) to register with the NYS Department of Labor. Contractors and subcontractors must be registered before submitting any new bids or commencing new work on public or private projects covered by Article 8 of the Labor Law (prevailing wage law) on or after December 30, 2024. Private projects subject to Article 8 of the Labor Law include those covered by Labor Law Sections 224-a (public subsidy funded projects), 224-d (renewable energy systems), 224-e (broadband projects), 224-f (climate risk-related and energy transition projects, and roadway excavations).

To register, contractors and subcontractors must submit an application through the New York State Department of Labor's (NYSDOL's) online Contractor Registry portal at <u>https://dol.ny.gov/contractor-and-subcontractor-landing</u>. There is no paper application process available. To complete the registration process, contractors and subcontractors must provide detailed identifying information about their business, its officials, workers' compensation and disability insurance, previous labor law violations, apprenticeships, and other information.

A \$200 nonrefundable fee is required at the time of registration. New York State certified Minority or Womenowned Business Enterprises (MWBEs) pay a reduced nonrefundable fee of \$100 at the time of registration. There is an additional credit card processing fee of \$1.97. Registration will not be valid until a Certificate of Registration has been issued by NYSDOL. Providing incomplete or inaccurate information will delay the issuance of a Certificate of Registration. Each registration certificate is valid for two calendar years from the date of issuance. Contractors and subcontractors must renew their registration at least 90 days before the expiration date of their current registration. Contractors and subcontractors may access their Certificate of Registration or check on the status of an application at any time through the Contractor Registry portal. Unless NYSDOL finds the applicant unfit, a Certificate of Registration with a unique registration number will be issued to the applicant electronically through the Contractor Registry portal. Contractors and subcontractors will be able to download and print the Certificate of Registration from their Contractor Registry portal account.

A contractor or subcontractor will be determined unfit to register in the following circumstances:

• The contractor or subcontractor is currently debarred or ineligible pursuant to Section 220-b(3) of the Labor Law or Section 141-b of the Workers' Compensation Law.

• The contractor or subcontractor is currently subject to a final determination or court order for violation of state or federal prevailing wage law which has not been fully satisfied.

Contractors or subcontractors who fail to comply with the registration requirements are subject to a penalty of up to \$1,000 and the issuance of a stop work order.

Any questions should be directed to the Bureau of Public Work and Prevailing Wage at 518-457-5589

NESCA Holiday Reception & Dinner December 12, 2024 – Century House 6:00 p.m. – Cocktail Reception and Hors D'oeuvres 7:30 p.m. – Dinner Toys for Tots Presentation Cost - \$110 Spouses/Significant Others Come for Free!



PRESIDENT'S MESSAGE

NESCA's first membership meeting of the year was held on November 14th at the Century House, and by all measures it was highly successful. We had 190 members turn out that night to hear Don Hillmann with Couch White, LLP fill us in on two new laws that will significantly impact all public work contractors and subcontractors. The first law becomes effective on December 30th of this year will require contractors and and subcontractors performing public work to register with the NYS Department of The registration process will Labor. require contractors and subcontractors to information about provide their companies to DOL and pay a biannual registration fee. No contractor or subcontractor will be eligible to perform public work in New York unless they are registered. Following enactment of the registration requirements, Governor Hochul recently signed legislation that will require public work contractors and subcontractors to submit certified payroll records and other information directly to DOL in an electronic format. To provide the Labor Department time to develop

and implement the electronic format, this law won't become effective until the end of 2025. If you have questions about either of these two new laws, please contact the NESCA office.

In addition to our November 14th membership meeting, NESCA held a membership meeting for our members in the Binghamton region on November 21st. This meeting presented an opportunity for our Binghamton region members to learn more about the contractor/subcontractor registration requirements and the electronic certified payroll requirements. NESCA counsel Walter Breakell from Hinman, Howard & Kattell, LLP made this presentation.

Coming up on December 12th, NESCA will hold its annual Holiday Reception and Dinner at the Century House. This event will be a "nonbusiness" gathering of our members and their spouses (or significant others) who will enjoy a 1 ¹/₂ hour cocktail reception with a nice assortment of delicious hors d'oeuvres followed by a fantastic dinner. As we have for more than 40 years, NESCA will be participating in the U.S. Marine Corps Toys for Tots campaign, so we are asking all members to bring an unwrapped toy with you to the meeting. By no means are you limited in bringing just one gift. If you find it in your budget and heart think of the families with multiple children who are struggling during this holiday season. In addition to the toys we collect, NESCA will present a representative of the Marine Corps with a check for more than \$5,000! I'd like to acknowledge that at the November membership meeting Claudio Zullo with Schenectady Steel pledged an additional \$4,000 contribution to Toys for Tots and Scott Mueller with National Business Technologies donated his 50/50 raffle winnings (\$400) to Toys for Tots. In addition, at NESCA's September golf outing, Mitch Johnson with The NEFCO Corp. donated his \$950 in 50/50 winnings to Toys for Tots. Thank you, Claudio, Scott, and Mitch!

I hope to see you at our December 12th Holiday event. This is a great chance to dress up, be in a great holiday setting and help give, as an organization, to those who are less fortunate. This holiday season let us give from the heart, not just the wallet. Let's spend time with those who matter most, creating memories that will last a lifetime. And let's find joy in the simple things like a warm fire, a good book, or the warm hug of a loved one. This holiday season let's remember what's truly important. Each other. Happy Holidays everyone. I hope this year's challenges become a steppingstone to even greater success in 2025.

Bryan Berry, President

NESCA NEWSLETTER

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COUNSEL'S MESSAGE

Out of state prime contractors have recently received contracts to perform work in the geographical areas of our membership. The membership will probably be presented with "standard" subcontracts of those prime contractors when seeking to secure work. Frequently those agreements will contain clauses which violate New York Law.

It is not unusual to encounter subcontract clauses that purport to "waive" a subcontractor's entitlement to file a Mechanics Lien against a project. In 1975 NESCA was instrumental in securing passage of §34 of the New York Lien Law which declared void as against public policy and unenforceable any contract, agreement or understanding whereby the right to file a Mechanics Lien is waived prior to receiving payment for its work. This legislation was a tremendous victory for subcontractors when initially enacted. There have been many victories since that time.

Another frequently encountered provision of out-of-state subcontracts is one which addresses "Venue" for hearing of disputes and the state law to be applied in determining those disputes. Those clauses may provide that any dispute arising under the subcontract must be heard in the home state of the prime contractor and adjudicated under the laws of that state (ie; Texas, California, Massachusetts etc.) regardless of the fact that the work was performed in New York. A rash of court decisions enforcing these wholly inequitable and unfair clauses led to a provision incorporated within the Prompt Payment Law which was introduced and enacted as a result of NESCA's support.

NY General Business Law §757 declares several frequently encountered subcontract provisions, both from out-of-state as well as New York general contractors, to be void and unenforceable under New York Law. Those provisions are as follows:

§ 757. Void provisions

The following provisions of construction contracts shall be void and unenforceable:

1. A provision, covenant, clause or understanding in, collateral to or affecting a construction contract, with the exception of a contract with a material supplier, that makes the contract subject to the laws of another state or that requires any litigation, arbitration or other dispute resolution proceeding arising from the contract to be conducted in another state.

2. A provision, covenant, clause or understanding in, collateral to or affecting a construction contract stating that a party to the contract cannot suspend performance under the contract if another party to the contract fails to make prompt payments under the contract.

3. A provision, covenant, clause or understanding in, collateral to or affecting a construction contract stating that expedited arbitration as expressly provided for and in the manner established by section seven hundred fifty-six-b of this article is unavailable to one or both parties.

4. A provision, covenant, clause or understanding in collateral to or affecting a construction contract establishing payment provisions which differ from those established in subdivision three of section seven hundred fifty-six-a and section seven hundred fifty-six-b as applicable.

The enactment of the Prompt Payment Law, which incorporated the banning of these unfair and financially burdensome contract provisions, has resulted in significant legal protection for subcontractors in the State of New York.

It is extremely important the membership be aware of these legal rights and benefits to which you are entitled when reviewing proposed subcontracts from prime contractors, both out-of-state and within the State of New York. These laws are your tools when negotiating agreements and it is important you are aware of their existence and insist that any violative clauses be eliminated from an agreement.

Walter G. Breakell, NESCA Legal Counsel



Welcome New Members

Endorphin Digital Marketing

Troy Innovation Garage 24 Fourth Street, Suite 209 Troy, NY 12180 518-250-9035 erik@endorphindigital.com Contact: Erik Bunaes

Daisy Ventures NY, Inc.

5 Southside Drive, Suite 11-158 Clifton Park, NY 12065 518-391-1864 <u>daisyventure2018@gmail.com</u> Contact: Olivia Whyte

The Moore Insurance Agency 15 25th Street Watervliet, NY 12189 518-273-9501

pmoore@mooreia.com Contact: Phil Moore, Sr.

Calendar of Events

December 5, 2024 *Board of Directors Meeting* Century House, Latham, 6 pm

December 10, 2024 4-Hour Erosion & Sediment Control Training Saratoga City Center, 1 pm

December 12, 2024 *Holiday Reception & Dinner* Century House, Latham 6 pm

December 13, 2024 Handling OSHA Inspections AGC NYS Office 10 Airline Drive, Albany, 10 am



NESCA's December 12th Holiday Reception & Dinner will be our 46th Annual Toys for Tots Night! Please remember to bring an unwrapped toy with you to the meeting. The Marine Corps will have a representative in attendance.

Milestone Member Anniversaries

Atlantic Contracting & Specialties – 5 Years Troy Ironworks, Inc. – 10 Years Neoplanta Restorations – 15 Years Insulation Specialty, Inc. – 25 Years J. Hogan Refrigeration & Mechanical, LLC – 30 Years Sanders Fire & Safety – 40 Years

Question of the Month

Q. We are being asked to do a project with a company as co-op work. We are not sure how to handle as we understand these are under review as being illegal. We don't want to get caught up in a mess. Do you have any input on this?

A. Yes. Over the last year or so, we have seen a proliferation of local public projects (particularly school districts) being awarded without competitive bidding using various cooperative purchasing models. It is NESCA's position that these types of arrangements violate New York's competitive bidding laws. Members are cautioned about getting involved in this type of procurement method for public work construction contracts because these contracts could later be found to be illegal, which would not only void the contract but also require the contractor to disgorge (give back) any payments received for work previously performed. Bottom line? Talk to your lawyer before bidding this type of work.

