

WESTERN MICHIGAN UNIVERSITY



Office of the Vice President for Business and Finance and CFO

April 1, 2011

Mr. Ed Haynor, Consultant
West Michigan Construction Alliance
140 N. 64th Ave., Suite 9
Coopersville, MI 49404

Dear Ed:

As a follow up to our recent meeting, you had asked that I provide you my thoughts relative to our experiences with prevailing wage compliance. As I have expressed to you before, Western Michigan University is committed to following the law. We are equally committed to assuring that our contractors and their subs do likewise.

We have talked in the past about the value of us providing tight specs and a thorough procurement process. It really all begins there. It is imperative that WMU be very clear about what it is asking a contractor to bid on. It is equally imperative that the bid responses be carefully reviewed to assure that no surprises (in the form of unexpected change orders) surface down the road.

The above lays a necessary foundation, but as is always the case, assuring prevailing wage compliance happens in the construction phases. We have tried the internal audit process, and to a large extent, that did a very good job of checking into alleged violations. As is usually the case, many of the procedures ended with no findings, others found clerical errors, and some found problem areas. These have always been identified and resolved. However, this method used audit sampling and never did test 100% of the payrolls and related transactions. Yes, where issues were found, scope was broadened to assure we captured the majority of the issues, but it did leave room for some issues to slip through the cracks.

As you know, we now have engaged a third party firm (Metro WBE) which has extensive experience in accounting and auditing; and, extensive field experience in the construction trades. This firm also has intimate knowledge regarding how the construction industry works and handles project accounting and billing. Combing all of that knowledge with software designed specifically for this kind of analysis, and you have a firm that is able to review/audit 100% of the certified payroll for all contractors and subs. Access and communication is assured through posted information and construction site visits by Metro WBE. The reporting process is timely and complete, and follow up with the companies is very prompt. Issues are resolved within weeks instead of months.

I have found this relationship with Metro WBE to be very effective. Because it is not inexpensive, I would not consider this approach for all projects; we have many smaller projects and limited funds. However, for larger projects like Sangren Hall, or our new Western View on-campus residential housing complex, it has been an excellent tool to assure complete compliance. I look forward to a successful and compliant completion of both of these projects.

All the best,

Lowell P. Rinker
Vice President for Business and Finance & CFO

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