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Monitors For WTC Cleanup

Decision was made before reports of stolen debris

By Katia Hetter
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The city Department of Investigation has appointed independent monitors to oversee the four contractors working at Ground Zero because of oversight concerns raised by city contracting officials, according to an official familiar with the process. The decision to make appointments was made days before reports of stolen debris from the disaster site.

The monitoring agreement, which requires the contractors to fire any faulty subcontractors within 30 days of finding fault, was reached before reports that Long Island and New Jersey trucking firms had illegally removed rubble from the Twin Towers to salvage yards rather than the mandated Fresh Kills site, according to the official, who requested anonymity.

Because the city needed to start cleanup at the site immediately, four emergency contracts totaling $1 billion were awarded without going through the Mayor's Office of Contracts, which reviews certain types of city contracts. The city Department of Investigation said its office, along with the city Department of Design and Construction and local and federal law enforcement, will oversee the ongoing monitoring for fraud, theft, security breaches, safety violations and other potential problems.

Tully Construction Co., one of the four, had previously received a rare negative rating of "not responsible" in a Feb. 13, 1996, settlement, listing "unpaid taxes, alleged organized crime ties, etc.," according to documents filed with the city's Vendor Information Exchange System. Prior to a five-year independent monitoring agreement, which ended earlier this year, the Flushing-based company was banned from doing business with the city.

Tully, which was awarded a $250-million contract to clean up one quadrant of the site, had reached a settlement in June with the Town of Babylon over a $24-million contract. Although town officials complained when Tully wanted to increase the contract's size for extra costs, Babylon officials agreed to pay Tully more than $6 million in an arbitration hearing.

Officials from Tully, the Mayor's Press Office and the Mayor's Office of Contracts did not return calls for comment.

The city regularly finds contractors with integrity problems, "whether they are connected to organized crime or failed to pay taxes or had company officials who were indicted," said Ross Sandler, a Giuliani appointee to the city Procurement Policy Board, which writes city contracting rules.

"Very few churches produce asphalt," said Sandler, a New York Law School professor and director of the Center for New York City Law. "The city has acted very responsibly in this case."

City officials negotiate so-called "independent private sector inspector general" agreements when they find that a company with integrity problems has the best price and the ability to do the work, said Sandler, who said the 11 agreements negotiated so far have been effective. Companies that fail to do quality work cannot qualify for the agreements.

A former contracting official said a "nonresponsible" finding is not in itself a reason to reject a contractor's new bid for business. Contractors can correct their problems by cooperating with an independent monitor, paying past due taxes or ridding the firm of mob-related owners or employees.

City officials have emphasized that the current monitors are a preventative measure, not a response to existing concerns. One official said there are no current complaints about Tully, which has done good work on 20 city projects worth $270 million over the past decade. Nor are there current complaints about Bovis Lend Lease, AMEC Construction Management, Turner Construction or any of their subcontractors, said the official. The deal "is meant to keep things proper," said the official.

Tully will be monitored by Decision Strategies / Fairfax International; Bovis will be monitored by Thacher Associates; AMEC will be overseen by Stier, Anderson and Malone; and Turner will be overseen by PriceWaterhouseCoopers.

The city also set up a toll-free number and e-mail address where people can confidentially give information about fraud or other problems: 866-220-4944 and groundzerohotline@yahoo.com.

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