



## ADMINISTRATION TEAM

January 25, 2013

9:00 am

AGC Southern District Building

3601 20th Street East

Fife, WA 98424

Phone: 253-896-0033 Toll Free: 800-637-7717

### Attending:

✓	<b>Ashley Davis</b> Mowat Const.		<b>Ken Shovlin</b> Guy F. Atkinson	✓	<b>Anthony Sarhan</b> FHWA
✓	<b>Jerry Brais</b> King County	✓	<b>Darrel McCallum</b> WSDOT ER	✓	<b>Glenn Schneider</b> WSDOT SWR
✓	<b>Marylou Nebergall</b> WSDOT OR	✓	<b>Craig McDaniel</b> WSDOT Construction	✓	<b>Mark Scoccolo</b> SCI Infrastructure
✓	<b>Mike Hall</b> Tucci & Sons	✓	<b>Tina Nelson</b> Kitsap County	✓	<b>Aleta Borschowa</b> WSDOT NWR
✓	<b>Roger Palfenier</b> Totem Electric		<b>Andy Thompson</b> Granite Construction	✓	<b>Greg Waugh</b> Max J. Kuney Const.
✓	<b>Denys Tak</b> WSDOT Construction		<b>Adam Lybbert</b> Penhall Construction		<b>Corey Christensen</b> KLB Construction
✓	<b>Jim Prouty</b> Granite Construction	✓	<b>Jenna Fettig</b> WSDOT Construction		

### OPEN MEETING

Craig McDaniel and Greg Waugh opened the meeting at 9:00am.

Craig informed the group of recent organizational changes at Headquarters Construction. Assistant State Construction Engineers are now providing roadway and bridge support to their PEs. Dave Erickson is managing all the assistants while Mark is on the 520 project. Denys Tak has been hired as the Administration Assistant to Craig McDaniel and will be a member on the AGC Admin Team. Denys has been a member of the AGC Roadway Team.

### Team membership

Greg has not been able to reach Adam Lybbert from Penhall, so his position may be open and the team should begin a search for a replacement. Greg could not find a current contact list for the team on the website and asked if we could update the contact list and distribute it to the team. Tina felt it would be valuable for the team to have someone from WSDOT Highways & Local Programs to provide the perspective from local agencies that aren't a part of the APWA.

The minutes from the November 2012 meeting were discussed and no issues were brought forward.

### **Upcoming Project**

Glenn asked about a project in Spokane area that is using a track laying machine. Craig said that the project is a design-bid-build project. Specifying the use of a track laying machine that is a very specialty item appears to be driving up the risk of the project. It was suggested that WSDOT should consider not specifying the use of a track laying machine as the contract requirement.

### **Call Before You Dig**

Recent changes to the Call Before you Dig guidance is being distributed. Mark Scoccolo said the biggest change is the area you intend to dig is outlined with white paint prior to calling. If you do have a utility strike you are required to report it using the new system called Damage Incident Reporting Tool (DIRT). You have 40 days to report a strike. The utility marks needs to be maintained by the contractor. The contractor has to maintain utility marks for 45 days. You can call for a refresh, but a reasonable amount of time should pass. If someone files a complaint and there is a violation, the contractor will get a letter with their fine. The amount of the fine gets larger each time and the contractor will be required to meet with the safety committee. The state attorney general's office will enforce the penalty. Training and education plan may waive the penalty. The white paint is not utility color, it is an excavation outline color. Mark recommended that the marks are documented with photos before they are destroyed. Mark said that most agencies know where their utilities/objects are located. If a contractor discovers unmarked water line, he/she need to call the owner to map the discovered water line before it is buried. If you can figure it the water line location based on the information available on the surface, the agency doesn't have to mark it. This is for water only. The design locates are still allowed with three business days for turnaround. If the area is very remote, they can get around some of the outlining requirements. Most of the law encourages locators to be on site with the operators. After Oregon passed a similar law, hits were reduced greatly. Washington cities are on the one call system. There is a limited length (approximately 700 feet or a city block) of an area you can call for locating utilities. Area greater than 700 feet is considered a large project and you have to set up a meeting with the locate group in advance or call in multiple requests.

### **Force Account**

Aleta said that at the last meeting, they decided to go back and look at how the force account markup was set up. Mark remembered some elements of the markup structures and Jerry brought some supporting documentation. Aleta researched 10 states with a similar business structures, cost of living and compared WSDOT's markups. WSDOT had the highest markup rates of the 10 states. Some of the language is different and the labor is managed differently, but the materials and the equipment markups are similar in nature but lower in the other states. Drug testing has increased WSDOT's markups and Aleta could not determine if other states have drug testing requirements. Aleta would like to speak with Ron Howard and will work on this with Mark.

Mark went through an analysis of the markup structures and it hasn't changed much since the '80s except for the drug testing requirements. The markup structure is pretty much an industry standard and the drug testing brought it up to 29%. Aleta found most other states she looked at are working with the monthly rates. Only one state allows for the use of small tools while most states prohibit that. Mark brought up an analysis performed in the past that compared WSDOT to other contracting agencies in Washington. WSDOT was very similar to others in terms of costs. The exercise used a scenario and ran it through each agencies markup process. Although the processes were different, the costs were nearly the same.

The 29% markup on labor was decided around the year 2000. Anthony said the federal requirements are that it fit in with what the law allows. Craig said the language is to compensate the contractor for the actual costs. Mark said one of the biggest challenges is when the inspector won't put workers and their equipment on daily reports. Also it is difficult when there is equipment that isn't on the equipment list. Aleta also mentioned there is a real problem with getting invoices from the contractor a long time after the work happened, rather than the contractor and the agency agreeing upon what was done on a daily basis. Mark suggested putting a cap on how long the contractor has to get the invoices or documentation in – like 90 days. Force Account invoices shouldn't be a surprise. It's also been difficult to determine what to do about the attachments. Most people are using monthly bluebook rates and looking at the applicable discounts. Pretty much every state appears to do the same. The attachments and the rates need to be agreed upon in advance. Tina has had issues where FEMA will not recognize WSDOT's F.A. rates. Jim mentioned that there is an issue with consistency, at the end of the day you need to come to an agreement. Aleta will read the Lean process and send out items to the team for input.

Mark distributed information on the force account markups. They came up with a typical event and calculated them using WSDOT's process, WSDOC process and UW process and the outcome was very close. The last page looks at standard bid items for Caltrans that are excluded for mobilization. WSDOT limits mobilization to costs that will be incurred during the first 10% of the project and other overhead has to be distributed equally through the other bid items. Caltrans has bid items for overhead and construction site management. The contractor gets paid per day for the site

management. Caltrans is the only state that does this. In this approach, when you add days it accounts for the overhead. The team wasn't sure how to account for subs.

### **Lean Initiative**

Craig said there is both quality and efficiency an effort in the LEAN process, but it also recognizes the constraints WSDOT has with laws and such. WSDOT has been doing things the same way for a long time and there must be processes that can be updated and become more efficient. Craig recommended that Aleta use the Lean process to look at the Force Account process. The process is that you decide where the value is and then you question the process you are using.

### **Buy America**

Anthony briefed the group on a memo issued by FHWA that clarifies what Buy America applies to. Buy America only applies to a manufactured item if it is predominately iron or steel. It does not apply to miscellaneous items like nuts, bolts or individual parts of other items. For example, the nuts and bolts in a VMS sign would not be applicable. It's looking for the bulk iron and steel products. Anthony said that for a manufactured item predominately made of iron and steel, such as a pump, it is subject to Buy America while the fasteners are not. This doesn't change the definition of temporary versus permanent. The recourse for a project that doesn't meet the requirement is the same – the whole project is not eligible for federal funds. You may see a big expansion of Buy America because it can now apply to contracts w/o federal funds through the changes in Map 21. The utilities are subject to Buy America on those projects. Utilities that are on state highways by franchised are not eligible. FHWA is not certain what it means for public utilities or utilities that are not on state rights of way. Regardless of who does the work, it applies.

### **Sublet Request Approval**

Jim asked about sublet approval and what the guidelines are on WSDOT's side. What does WSDOT look at? Jim would like to tie this in with the apprenticeship. WSDOT does not use the sublet request to enforce who works on the project. WSDOT uses the sublet request to determine who is working on the project, which Labor & Industries is notified of. Also, we need to make sure that the general contractor performs at least 30% of the work and what affidavits we will need to look at. In Mark's experience, WSDOT has denied a request to sublet but this was because the subcontractor was being paid more than the prime contractor. Aleta has denied some sublet requests for penny bid items that the request to sublet is for \$60,000 instead of \$3.60. This doesn't look right when there is condition of award DBE work. Anthony agreed and cautioned the team about that situation.

Jim's situation is that when the contract has apprentice utilization requirements, the prime contractor is on the hook in terms of performance, but in order to meet the requirement, subcontractors must use apprentices. The primes prequalification can be revoked, but the prime has no teeth to encourage the subcontractors to comply. Jim

wondered if the approval of the request to sublet could consider apprentice utilization. MaryLou said that WSDOT couldn't reject a request to sublet over this issue. It is the contractor's responsibility to determine how they will meet the apprentice utilization requirement and manage that effort. Perhaps there are other ways to deal with this issue, which has been a problem for years, especially with smaller subcontractors. It's a major topic of discussion at the preconstruction meeting that the contractor has with their subcontractors. This is especially a problem for the paving contractors. Perhaps a subcontractor can provide two different prices at the bid time, one with apprentices and one without. What is the enforcement mechanism when the subcontractor signs a subcontract that says they have to do this and then they don't? Mark suggested adding a bid item to the contract and subletting it to subcontractors so they can get paid for apprentice utilization. This might be a good issue to bring to the apprentice advisory committee. The biggest problem for smaller subcontractors is that they cannot get an apprentice or it is not feasible for them to get apprentices from the program.

#### **Disparity Study Update**

Craig went over a handout on the new Draft Disparity Study with the team. This is more a bigger picture and it won't affect the goals seen on each contract. Some of the questions the study was meant to address were: are there areas where there is no disparity, should we have race specific goals, or races that are excluded? WBE is one area that jumps out in the study. Minority women are counted both in WBE and count for the minority group they belong to. Greg explained how ODOT's program differs because they have race specific goals. Team members felt that the document did not reflect the comments made when the team met with the Disparity Study Consultant. Craig informed the team that this handout is a summary and the team's comments are included in Appendix J of the draft disparity study. The document has to do with the statewide goal compared to what was attained statewide, so contractors need to recognize that it doesn't mean that the contractors didn't achieve their goals, it just means that WSDOT didn't set high enough goals to meet the program requirements. Craig believes there may be a lot of participation that is not claimed, either due to missing quarterly reports, or to voluntary participation that is not accounted or reported. The project office tries to catch it on the request to sublet to see that the subcontractor is marked as a DBE. Anthony said that the contractors do what they are forced to do as a condition of award, but they are not going above and beyond to achieve the race neutral portion. If a DBE subcontractor performs more work than anticipated, this is taken into account on the quarterly report of amounts paid. Craig explained to the group that the number is a recommendation, but there may be adjustments to the number because of the past discrimination or limited available firms. The disparity study establishes a foundation to work from, the state comes up with a plan and FHWA approves the plan. DBE use on state-funded jobs is something that FHWA looks at for the voluntary goal. WSDOT cannot put DBE requirements on state funded projects. Availability is a consideration of the Disparity Study. There seemed to be agreement that the contractors would be willing to report amounts paid to DBEs on

state funded projects. The DBE should never rent or buy equipment from the prime contractor. It could be that they are just providing traffic control labor. In that case, they only get credit for the people, not the equipment.

### **Change Order Process**

The change order process is going through a Lean effort. One observation is that the contractor always takes all the time that they are allowed to sign the change order and get it back. Craig asked the group to think about the change order process and look for efficiencies. Aleta has had to use unilateral changes orders to move the process along swiftly and provide prompt payment. Craig said this should be the exception to the rule. The contractors expressed that it is not always on the contractors to get the change orders in and there is a perception that WSDOT is slow at drafting the change order. Aleta said that she has had issues getting the contractor to sign an agreed upon change order. It is harder when there are subcontractors involved. ODOT pays interest after 90 days of receiving the change order from the contractor. Mark said prompt payment was revised to apply to any undisputed amounts. Sometimes it is the final payment that gets hung up, but you make a monthly progress payment. Local agencies may have the ability to make payments without a change order in the system but WSDOT does not.

### **New Business for 2013**

- Craig will let the team know more about the Disparity Study.
- Craig asked the project engineers for feedback about the Lean Process and may be going out with a survey.
- There are people in the DBE Directory that are out of business or no longer perform the type of work they are listed for. The Disparity Study Accounted for this and OMWBE may be addressing that issue now.
- It has been asked if Equipment Watch is the best source for equipment prices. Greg feels that equipment watch is the best source to use for equipment prices.
- Is force account being used for items that could be bid items?
- Where are we at with erosion control labor? In Aleta's experience, having lump sum erosion control has led to the contractor taking some innovative approaches.
- Having the contractor submit an equipment list should be a standard spec.
- There is an interest in requiring certified payrolls whether it is federal aid or not.
- The subcontractors wants payment very quickly and there are projects where the prime has paid the subcontractor and months later a measurement or payment situation comes up. There should be proper and accurate measurement of quantities, these adjustments are observed for rail, fencing, dirt, crushed surfacing, etc.
- The lack of timely and consistent pay notes may be resolved using the electronic file sharing.

- The DBE joint checking allowance needs to be addressed. There are situations where the bank cleared a joint check deposited to the DBE. Perhaps this language could be tightened.
- There is a concern that some contractors might challenge the tribal tax it applied to only part of the contract and not all.
- The credibility of the bid date has been lost for Puyallup River project. The team members agreed that the project should have been pulled from the advertisement.

**Schedule and location of future meetings, 2013:**

All dates and location are subject to change.

AGC Southern District Building

9:00 AM – 12:00 PM

February 22

March 22

April 26

May 24

June TBD if needed

## ADMINISTRATION TEAM

**March 22, 2013**

**9:00 am**

**AGC Southern District Building**

**3601 20th Street East**

**Fife, WA 98424**

**Phone: 253-896-0033 Toll Free: 800-637-7717**

### Attending:

✓	<b>Ashley Davis</b> Mowat Const.	✓	<b>Ken Shovlin</b> Guy F. Atkinson		<b>Anthony Sarhan</b> FHWA
✓	<b>Jerry Brais</b> King County	✓	<b>Darrel McCallum</b> WSDOT ER	✓	<b>Glenn Schneider</b> WSDOT SWR
✓	<b>Marylou Nebergall</b> WSDOT OR		<b>Craig McDaniel</b> WSDOT Construction	✓	<b>Mark Scoccolo</b> SCI Infrastructure
	<b>Mike Hall</b> <b>Tucci &amp; Sons</b>	✓	<b>Tina Nelson</b> Kitsap County		<b>Aleta Borschowa</b> WSDOT NWR
	<b>Roger Palfenier</b> Totem Electric		<b>Andy Thompson</b> Granite Construction	✓	<b>Greg Waugh</b> Max J. Kuney Const.
✓	<b>Denys Tak</b> WSDOT Construction	✓	<b>John Cichosz</b> Tappani Construction	✓	<b>Corey Christensen</b> KLB Construction
✓	<b>Jim Prouty</b> Granite Construction	✓	<b>Bob Adams</b> Guy F. Atkinson	✓	<b>Greg Bell</b> WSDOT OEO

### OPEN MEETING

Greg Waugh opened the meeting at 9:00am. Craig did not attend the meeting.

The February meeting was cancelled.

January 25<sup>th</sup> meeting summary was finalized and will be posted.

### Team membership

Greg introduced John Cichosz with Tappani Construction as a potential new member on the team, John's membership is pending the leadership groups approval. Adam Lyybert from Penhall is no longer part of the team. Greg also said that the teams make up is pretty balanced in the representation from WSDOT and AGC members.

Denys discussed WSDOT HQ Construction office update. Mike Grigware is transferring into Randy Dubigk's position as the Documentation engineer and Mike's old position (Specifications engineer) is in the process of being filled with an internal candidate.

#### Joint Checking/DBE

Greg Bell discussed the joint checking process and talked about the potential need or protocol on how and when WSDOT project office needs to get involved. The level of project offices involvement, if any, needs to be clearly defined. Greg will work with the Construction office on this and will report back to the team via e-mail or at the next meeting. To date, contractors are doing what they can to keep the project moving but this is an area that could be improved.

The Disparity study is still in the final draft stage pending the new Secretary's approval. The change of the Secretary has delayed the schedule of publishing the study. The draft study provided three recommendations in the % goal but OEO will consult with the Secretary and the Governor's office to determine the goal that will be used between now and through 2014.

Currently there are two legislative provisions that the OEO is tracking. Federal provision that says if a DBE is decertified, they should be removed from the project. WSDOT OEO would like to see the DBE subcontractor to continue working for the Prime and complete the work. SB1674 gives OMWBE more authority to police certification/decertification of primarily DBE contactors.

Mark mentioned that some WSDOT projects do not track the use of DBE contractors and felt the current rate used in the disparity study may be lower than the actual attainment rate. Denys said the study used the data from WSDOT, local agencies, OMWBE and telephone interviews with hundreds if not thousands of DBE's that are ready, willing and able to perform.

Greg also asked if there is a need to maintain the WSDOT certified DBE directory spreadsheet. The directory was created to assist OMWBE's directory of certified firms, now that we feel more comfortable with how the current OMWB is addressing the certification process. It was noted by both Greg and Denys that the OMWBE's performance has really turned around after the new director Chris Liu came on board. Jim Prouty said that he is using the DBE directory as a contact list to solicit bids and would like to see it continue since it is easy to use. Greg asked for some feedback on the use of WSDOT's certified DBE directory.

#### Project Closeout

The group mentioned that the recent change from L&I regarding Affidavit of Wages Paid requirement raised some concerns. L&I's process of the prime contractor filling out an Affidavit form "on behalf of" a subcontractor, is slow, non-web based, and does not

seem to work in a timely manner. The missing AWP issues are generally caused by small trucking companies that only work a day or two on a project. Jim said a design build project (Contract 8016) had a specific liquidated damages defined in the required documents necessary for the substantial, physical and final completion and it worked pretty well.

A question was asked about the unilateral closure process in WSDOT contract was new. WSDOT has an option to unilaterally establish acceptance and completion dates when the contractor is unwilling or unable to submit the required documents. However, the current L&I requirement on AWP may not allow WSDOT to exercise this option. Denys will contact L&I and look into this issue.

#### Legislation

Bob Adams mentioned two pieces of legislation that AGC is tracking; federal provision that requires DBE subcontractor to be removed from the job when the DBE is decertified. We would like the subcontractor (DBE) to continue and finish the project for the prime contractor.

HB1674 gives the Office of Minority and Womens Business Enterprises increased authority. The bill provides OMWBE the regulatory oversight and accountability to certify/decertify DBE firms as well as an investigative unit.

#### DRB process revision

Pushed to the next month's meeting due to Craig's absence.

#### CRIP

Greg Waugh said the CRIPs scope and parameter should be better defined to allow contractor to see all the options available when considering a CRIP. Perhaps it may be easier to define what is not allowed in a CRIP. Historically we are used to design bid build projects and some components where the owner has invested considerable effort into the design is thought to be off limit for a CRIP. Glenn said that as an owner we do not necessarily want to put any restrictions on contractor's innovation. The group thought the CRIP language should be better defined and needs to be in the Standard Specifications.

Greg, Ashley, Bob, Ken and Glenn will look into how the CRIP parameter is defined in other DOTs and report back on their findings.

#### Steel Escalation Index

The index we use should be accurate, timely and the contractor should have an option to opt in/out after the award. Similar to the ODOT process, WSDOT should consider sending an option letter to the prime contractor after the award. The prime contractor will decide to opt in or out based on their subcontractor's input.

#### FA rewrite progress

Pushed to the next month's meeting due to Aleta's absence.

### Insurance

Denys brought up the certificates of insurance evidencing the minimum insurance coverages required does not always contain the required information. Specifically the \$50,000 maximum deductible for the commercial general and automobile liability information is not included and/or the deductible amount does not meet the specifications. This requires staff time to ask for a new certificates or review the policy folder when it comes in to verify the requirements. This has a potential to delay contract work since we only have one insurance compliance officer. The current process requires the certificates to be turned in prior to contract execution and the policy must be received within 30 days of contract award date. Options WSDOT is considering includes but not limited to; returning all incomplete certificates, having the policy turned in prior to contract execution and having a different office assist in reviewing the policy for compliance. Bob advised against utilizing people who are not knowledgeable in the insurance languages to review the policy. He felt WSDOT currently has an office that is experienced at reviewing the insurance policies. Denys asked members to check with their insurance carriers to see if it is possible to have the policy turned in prior to contract execution or 20 calendar days from the award date.

### **New Business**

- Denys asked what the group wants to accomplish prior to the summer break. Bob asked if the group had addressed the list developed by the leadership group a while back. Greg confirmed and Bob thought it might be a time to have another brain storm session to identify issues and develop another list for the team.

### **Schedule and location of future meetings, 2013:**

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AGC Southern District Building  
9:00 AM – 12:00 PM

April 26

May 24

June TBD if needed

## ADMINISTRATION TEAM

April 26, 2013

9:00 am

AGC Southern District Building

3601 20th Street East

Fife, WA 98424

Phone: 253-896-0033 Toll Free: 800-637-7717

### Attending:

✓	<b>Aleta Borschowa</b> WSDOT NWR	✓	<b>Darrel McCallum</b> WSDOT ER	✓	<b>Glenn Schneider</b> WSDOT SWR
	<b>Jerry Brais</b> King County		<b>Craig McDaniel</b> WSDOT Construction	✓	<b>Mark Scoccolo</b> SCI Infrastructure
✓	<b>Corey Christensen</b> KLB Construction	✓	<b>Marylou Nebergall</b> WSDOT OR		<b>Ken Shovlin</b> Guy F. Atkinson
✓	<b>John Cichosz</b> Tappani Construction	✓	<b>Tina Nelson</b> Kitsap County	✓	<b>Denys Tak</b> WSDOT Construction
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	<b>Mike Hall</b> Tucci & Sons	✓	<b>Jim Prouty</b> Granite Construction		
✓	<b>Forrest Dill</b> PCL	✓	<b>Anthony Sarhan</b> FHWA		

### OPEN MEETING

Greg Waugh opened the meeting at 9:00am.

### Team membership

Greg introduced Forrest Dill with PCL as a new member on the team, Forrest is a past member on this team. WSDOT will ask if Highway & Local Program can be represented in the team.

### CRIP

Greg reported back to the group after looking over the other States CRIP specifications. He indicated that the CRIP should be included in the GSP to be upfront with all

contractors on the purpose, what can be considered, and the evaluation process. Also additional information can be included in the Construction Manual to make sure all Project Offices are on the same page. The CRIP's intent is to reduce project cost and time, however there may be other items such as aesthetics that can be considered under the value saved. Some owners exclude design of elevated structures, but overall most owners appear to have commonality in the CRIP specifications. WSDOT should also consider the long term maintenance cost in the proposal, and the group felt that the owner and the contractor may be able to negotiate the long term maintenance costs. Anthony mentioned that some CRIP proposals have a potential limitation from FHWA if it is viewed as a scope change to the project. FHWA expects scope change work to be competitively bid. The scope change definition may need to be included in the CRIP specifications. Glenn would like to see a value added to the time savings and volunteered to start a draft of specifications for the CRIP. Greg will arrange a conference call in a couple of weeks to discuss the draft with Glenn, Forrest and Ashley.

### **Contract Insurance**

Denys thank the group for getting back to him with the insurance time line as discussed at the last meeting. WSDOT has one insurance compliance officer to keep track/review all contract insurances. Trying to review all these policies has not been realistic by single person. One thing WSDOT will do is put more emphasis on the information contained in the certificate. It should contain all the necessary information including the deductible amount to meet the contract specifications. Not having the necessary information will delay the contract execution.

Greg said O&CP insurance is tied to the contract Completion and would like to see if it can be changed to the Physical completion instead. Sometimes the contract takes a while to complete due to the plant establishment that can take up to two years. The group agrees that reaching contract completion can be challenging due to the recent changes made by Labor and Industries on Affidavit of wages paid. Denys indicated he will discuss with L&I to find ways to close out contracts that are missing one or two AWP and review O&CP requirements. He said that it is in everyone's best interest to close out the contract in a timely fashion to avoid this situation. He will speak with risk management and Bill Attridge about the insurance requirement. If necessary, we can invite them to the meeting to discuss the issue.

### **Force Account**

Aleta discussed reviewing the FA process as a part of the LEAN efforts. Is it the appropriate process to complete the work, are we paying the contractor correctly and fairly and are we using the correct measurement methods? She was not sure what data to include in the goal and how far back the historical data should go.

She would like some assistance from the team on what it is that the team wants to achieve by developing a list of goals. Is it to fairly pay the contractor, what and how the measurement is made, should we consider open/close shop, etc... The process will take up a lot of time and effort to follow the Sig Sigma method. Aleta recommended that we

should review the list of goals and use the Skeleton method to achieve the goal while making the efforts manageable. Tina indicated that the group's goal was to answer the question as to whether the FA markup is fair compensation to the contractor or not. The group discussed the history of how the current markup was determined and would like to find any notes and documentation used in that process to better understand the values used in determining the current markup rates. Contractors all appear to use different rates and some are reluctant to share their proprietary information. Greg will take an initial review of the overhead markup list and share that with Aleta. Aleta will come up with the plan to include monthly goals to move this FA markup issue.

### **FA Rental agreement**

Glenn stated that the stand-by definition could be improved to contractor/owner understanding of when the stand-by hours are applied. He will draft a definition and will send it out to the group for consideration.

### **New Business**

#### **As-Builts**

Aleta said they are finding inaccuracies in As-Built plans during design and was wondering if this is something that contractors can complete instead of WSDOT. She feels the contractors are involved in all aspects of the work and may be better to complete As-Built plans. Also, she asked what would be the appropriate compensation for completing this work. The group discussed GIS robotic scanning with underground utilities information tied via traditional surveying, Design Build contracts where these plans are completed by contractors, and hiring a subcontractor to complete the work. Denys indicated that most changes to the plans are minor in nature and the cost of scanning or hiring a subcontractor to complete this work does not seem cost effective: Maybe this cost should be used in the project development phase. Aleta asked the contractor if they could hire additional staff to do the work if WSDOT paid for it. Greg indicated that it would not be the case since the work will not likely be enough to keep a person full time and the superintendent may be the most knowledgeable person to complete this work. Tina said that local agencies, due to lack of resources available, have a GSP to require a contractor to record As-Built plans that have a bid item. However, she felt that the cost is unpredictable and does not guarantee that we end up with more accurate As-Built plans. Greg said as a contractor, this work is not something that he is excited about taking on.

Tina asked about the use of electronic As-Built. Denys said WSDOT has a pilot project to submit an electronic As-Built and sees it as a way to reduce current efforts in printing and scanning full size sheets.

#### **Electronic File sharing**

Greg asked about the status of electronic file sharing. He said Jenna presented to the group last November and was wondering where we are with the use. Denys said WSDOT is ready and it is available for use by project offices and contractors. He said there are two systems Sharepoint and Project Wise and WSDOT is looking for pilot projects. Darrell said he had a project with special provisions to include the use of Sharepoint but felt that either of these two have their issues and he is currently using contractor provided services to share electronic files. Darrell said we need to get together with Jenna on sharing and addressing these issues prior to taking on the use. Mary Lou would like to use this in a couple of her projects.

**Electronic CAD file availability**

Greg asked when WSDOT will make electronic CAD files available prior to bid openings. The group said they are making the file available to contractors after execution upon request with the usual disclaimer statements. Tina said there would be a huge advantage in making this file available prior to the bid opening but understands that the risk of errors can be problematic.

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AGC Southern District Building  
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June 14  
September 20  
October 8  
November 15



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Fife, WA 98424

Phone: 253-896-0033 Toll Free: 800-637-7717

### Attending:

✓	<b>Aleta Borschowa</b> WSDOT NWR	✓	<b>Darrel McCallum</b> WSDOT ER	✓	<b>Glenn Schneider</b> WSDOT SWR
✓	<b>Jerry Brais</b> King County	✓	<b>Craig McDaniel</b> WSDOT Construction	✓	<b>Mark Scoccolo</b> SCI Infrastructure
✓	<b>Corey Christensen</b> KLB Construction	✓	<b>Marylou Nebergall</b> WSDOT OR	✓	<b>Ken Shovlin</b> Guy F. Atkinson
✓	<b>John Cichosz</b> Tappani Construction	✓	<b>Tina Nelson</b> Kitsap County	✓	<b>Denys Tak</b> WSDOT Construction
	<b>Ashley Davis</b> Mowat Const.	✓	<b>Roger Palfenier</b> Totem Electric	✓	<b>Greg Waugh</b> Max J. Kuney Const.
✓	<b>Mike Hall</b> Tucci & Sons	✓	<b>Jim Prouty</b> Granite Construction		
	<b>Forrest Dill</b> PCL	✓	<b>Anthony Sarhan</b> FHWA		

### OPEN MEETING

Greg Waugh/Craig McDaniel opened the meeting at 9:00am.

Greg Bell, WSDOT OEO and Ricky Bhalla, WSDOT Specifications engineer attended the meeting as guests.

### Team membership

Denys will pursue a member representing WSDOT HLP. Anthony Sarhan has accepted a position as a mega projects engineer and FHWA will provide his replacement on this team.

### **As-Builts**

As a follow up to last month's discussion, it was mentioned that overall WSDOT is better equipped to complete this work on average size projects and there may be exceptions in larger projects and NWR may pilot a project to have the contractor provide As-Built. Local agencies use a contractor produced As-Built in some projects based on conversations with AWP.

### **Electronic File Sharing**

Sharepoint is being used but not all WSDOT PEO are open to using this system. Projectwise is being used in the Olympic region and it appears to work well.

### **DRB Process Revisions**

WSDOT is in the process of addressing potential conflicts of interest as the list of DRB third party members is decreasing. WSDOT is also experiencing some situations where members are representing a contractor in one project and WSDOT on another. The current process is based on individual project and fairly informal. It was discussed that this can be addressed at a project level and/or higher level. DRB members on long term projects are running into situations where they volunteered to remove themselves from a perceived conflict of interest. Overall it was noted that DRB members are behaving professionally and disclose a conflict of interest to Contractors and WSDOT. WSDOT's goal is to address conflicts of interest upfront and to continue the good business practice in the use of DRB on projects.

Due to the shrinking availability of DRB third party members, we are experiencing in situations where DRB members are nominated who are not on the WSDOT prequalified list, and person who is currently employed by the Contractor. The purpose of looking to revise the process is to avoid a potential conflict of interest. Appropriately qualified and credible people are on the list and equalize representations between the three members to protect claims determinations.

It was mentioned that a list of DRB members and which projects they are on may be a useful information to have it posted on a web page.

### **Obstruction Specifications Changes**

More contractors have oscillators and WSDOT is looking at a risk pool and an opt in/out clause in contracts to address obstructions to provide a better playing field in project bids. The current specifications appear to not provide any incentives to address subcontractors to come up with a work plan to address the potential obstructions identified in the contract. The idea of not having a risk pool was discussed as an option to consider since the obstructions clause will address the situation when obstruction is encountered. If an obstruction bid item is removed, Contractor will likely not approach drilling subcontractors without an oscillator on large diameter shaft projects. The

current specifications allows for competitive bidding as the obstruction risk is owned by WSDOT. The group discussed shifting the obstruction risk to Contractor, WSDOT may experience higher bid prices on the work and Contractor will be seeking better subsurface information. The group discussed different ways to bring on a driller with the appropriate tools for the conditions described in geotechnical reports. The need for project geotechnical reports without any interpretations/opinions on the materials encountered, and allowing Contractors to identify the materials themselves. WSDOT will be working with ADSC group on coming up with any specifications changes, if any.

### **Prime Contractors Performance Report**

WSDOT is in the process of updating the current PCPR and creating a PCPR for DB projects. The current form is out of date based on the current programs and priorities being measured. The equipment section is being removed but we are adding environmental, DBE and apprenticeship as a standalone section to be evaluated. Some sections will have a maximum scoring of Standard. The group mentioned that in some situations the actions of a subcontractor has impacted the prime contractors evaluation. Evaluation of DBE subcontractor should be considered as the pool of available DBE subcontractors is limited. It was mentioned that the appeal process remains in place. It was mentioned that longer term projects an interim PCPR should be shared and discussed on the project DRB meetings.

Since DB projects do not have prequalification, this may be used as a record for future contracts on DB contractors.

### **DBE Disparity Study**

Greg Bell said that the disparity study information will be shared at multiple public information meetings scheduled statewide. The executive summary, full disparity study, and schedule for the public meeting is on WSDOT OEO web page.

SBE program will be starting on July 1<sup>st</sup> and the local program is concerned about the training opportunity available between now and execution of the aspirational goal program. Greg mentioned that a webinar is scheduled for SBE program. This program is for projects with no DBE goals.

### **CRIP – Subcommittee's report**

Glenn said that if a CRIP saves time, the value of the time saved should be considered in the total savings. Liquidated Damage is not appropriate as most project schedules contain float. The method of time saved should be tied to work reduced when calculating the value. Most of these items are proposals and should be negotiated since the time saved on each bid items may be an estimate break down of lump sum/FA work. Anticipated maintenance costs were another item considered but the subcommittee found it difficult to measure this item.

It was mentioned that bid documents should include hard scope items used/identified in the project value engineering process to inform contractors upfront.

A question was asked if WSDOT's view on CRIP has changed from the past where CRIP was strongly encouraged. WSDOT's position has not changed and it is encouraged but cautioned on short duration projects as well as the available resources during heavy construction season where there are many submittals are being reviewed.

**AGC/WSDOT Equipment Rental Agreement, Standby Hours**

Glenn's goal was to help identify when equipment is on Standby verses operating verses idling. His suggestion was to change the operating in use to say not only present at the job site but actually operating, not idled. By clarifying operating hours, the standby hour can be easily defined when not in use at a project site but cannot be assigned to other parts of the job because it is necessary for that operation. Mark asked that there must be a balance in how you designate equipment status hours by WSDOT inspectors, especially rental equipment. Glenn's goal is to avoid arguments on operating verses standby hours. The group agrees that the designation of standby verses operating is subjective and there is a need to understand the entire work operation. An example of a grader used in spreading gravel is forced to wait because a dump truck is delayed due to traffic conditions. In this situation, the grader should not be put on standby hours. Glenn asked the group to think about this over the summer and report back in September.

**Schedule and location of future meetings, 2013:**

All dates and location are subject to change.

AGC Southern District Building

9:00 AM – 12:00 PM

## ADMINISTRATION TEAM

**October 18, 2013**

**9:00 am**

**AGC Southern District Building**

**3601 20th Street East**

**Fife, WA 98424**

**Phone: 253-896-0033 Toll Free: 800-637-7717**

### Attending:

	<b>Aleta Borschowa</b> WSDOT NWR	✓	<b>Mike Hall</b> Tucci & Sons	✓	<b>Glenn Schneider</b> WSDOT SWR
	<b>Jerry Brais</b> King County	✓	<b>Darrel McCallum</b> WSDOT ER		<b>Mark Scoccolo</b> SCI Infrastructure
✓	<b>Corey Christensen</b> KLB Construction		<b>Craig McDaniel</b> WSDOT Construction		<b>Ken Shovlin</b> Guy F. Atkinson
✓	<b>John Cichosz</b> Tappani Construction	✓	<b>Tina Nelson</b> Kitsap County	✓	<b>Denys Tak</b> WSDOT Construction
	<b>Ashley Davis</b> Mowat Const.		<b>Roger Palfenier</b> Totem Electric	✓	<b>Greg Waugh</b> Max J. Kuney Const.
✓	<b>Jon Deffenbacher</b> WSDOT OR	✓	<b>Jim Prouty</b> Granite Construction	✓	<b>Bob Adam</b> Guy F. Atkinson
	<b>Forrest Dill</b> PCL		<b>Anthony Sarhan</b> FHWA		

### OPEN MEETING

Greg Waugh/Denys Tak opened the meeting at 9:00am.

Bob Adams, Atkinson attended the meeting in place of Ken Shovlin and representing the leadership group.

### Team membership

Aaron Butters with HLP has agreed to join this team. Jon Deffenbacher joined the team replacing MaryLou Nebergall.

Bob Adams gave the group update on the transportation budget status. He also shared highlights of the information contained in the recently published Mega project report.

The team discussed the challenges ahead in providing replacement fish passage structures on all inventoried fish blockage culvert locations.

### **Fall Protection Update**

WSDOT is working with Labor and Industries to address the operational difficulties with the new rule: Specifically on the “safety rail” height on existing bridges and barriers. Most barriers are 32 inches in height and the minimum L&I safety rail height is 38 inches.

### **Forest Fire Protection**

WSDOT has been working with WADNR on Statewide waivers on highway projects, specifically on work on the improved surface or pavement edge to pavement edge. No specifications changes are expected but more awareness is warranted on the Forest Fire Protection laws. To assist WSDOT projects the construction web page now contains a map that shows IFPL boundaries with milepost information.

### **CRIP/VECP**

The subcommittee reviewed languages from Idaho, Montana and Oregon. Over the busy summer months, the group did not receive much input. The goal is to have the CRIP specifications in contracts, instead of only referenced in WSDOT Construction Manual. The group discussed the definition as it relates to accomplishing the work within the original scope, the project purpose & needs, limits to not box in contractors innovation.

### **Equipment Rental Agreement**

Operating verses Stand-by rate application during force account work. The rules are not 100 percent clear for our inspectors as we hear and experience variation on how these rates are applied. The group discussed many examples and concluded that these rules may be difficult to improve. Some members discussed perhaps the focus should be on better defining the stand-by definition. The group agreed to review stand-by definition and report back at the next meeting.

### **Prime Contractors Performance Report**

WSDOT is working on the update and hopes to have the draft for review within next month or two.

Many questions came up on DBE subcontracting challenges and Denys will invite Greg Bell to provide some clarifications at the next meeting.

### **Schedule and location of future meetings, 2013:**

All dates and location are subject to change.

November 15

AGC Southern District Building

9:00 AM – 12:00 PM



## ADMINISTRATION TEAM

November 15, 2013

9:00 am

AGC Southern District Building

3601 20th Street East

Fife, WA 98424

Phone: 253-896-0033 Toll Free: 800-637-7717

### Attending:

✓	<b>Aleta Borschowa</b> WSDOT NWR	✓	<b>Mike Hall</b> Tucci & Sons	✓	<b>Glenn Schneider</b> WSDOT SWR
✓	<b>Jerry Brais</b> King County		<b>Darrel McCallum</b> WSDOT ER	✓	<b>Mark Scoccolo</b> SCI Infrastructure
	<b>Corey Christensen</b> KLB Construction	✓	<b>Craig McDaniel</b> WSDOT Construction	✓	<b>Ken Shovlin</b> Guy F. Atkinson
✓	<b>John Cichosz</b> Tappani Construction	✓	<b>Tina Nelson</b> Kitsap County	✓	<b>Denys Tak</b> WSDOT Construction
✓	<b>Ashley Davis</b> Mowat Const.		<b>Roger Palfenier</b> Totem Electric	✓	<b>Greg Waugh</b> Max J. Kuney Const.
✓	<b>Jon Deffenbacher</b> WSDOT OR	✓	<b>Jim Prouty</b> Granite Construction		<b>Bob Adam</b> Guy F. Atkinson
✓	<b>Forrest Dill</b> PCL	✓	<b>Anthony Sarhan</b> FHWA		

### OPEN MEETING

Greg Waugh/Denys Tak opened the meeting at 9:00am.

Susan Ellis, FHWA and Greg Bell, WSDOT attended the meeting.

### Team membership

Susan Ellis is replacing Anthony Sarhan on the team as the FHWA representative.

The team will seek WSDOT H&LP representation with Aaron Butter's departure.

### DBE Update

Greg Bell shared the upcoming WSDOT overall DBE goal setting process involving Governor's office as well as FHWA. The new goal is based on the recent disparity study recommendation and it will take 6 to 8 months to establish the new goal. DBE reform is

taking place within WSDOT as the result of the recent FHWA report on the Seattle Tunnel project DBE program. The group discussed DBE subcontractor education, bid practices, small pool of DBE firms taking up large portion of the available work, Commercially Useful Function on traffic control (specifically on the use of Prime contractor's traffic control equipment), DBE graduation information from OMWBE web page and upcoming Statewide training for both WSDOT and contractors.

#### **AGC/WSDOT Lead Team**

Denys shared the following topics generated from the lead team to be discussed in the future administration team meetings;

- Release of electronic design modeling files during advertisement period
- Prevailing wage concern on offsite disposal and manufactured goods is pushing manufacturing out of State in some cases.
- Next AGC/WSDOT annual meeting has been scheduled for January 15, 2015
- Contract insurance
- Use of Alternative Technical Concept on design bid build projects

#### **CPARB, Heavy Civil Committee**

Denys provided update on the draft revisions to RCW 39.10, specifically the GC/CM language to better fit the need of non-vertical projects. Draft copy attached.

#### **PLS on WSDOT Contracts**

Denys and Greg shared Mike Root's proposal on the need for PLS oversight on WSDOT contracts. The team discussed that any boundary or monument related work is completed under a PLS by WSDOT surveyors and contractor hired surveyors. The work of construction staking/lay out work is allowed by law. Denys said that on design build projects, PLS requirement is often specified due to survey work involving boundaries and monument location/relocation work. Also on bid build projects, WSDOT survey crew work during the project development phase to record and relocate monuments in advance of the construction work to avoid damages. The team decided the PLS oversight is appropriately being used and did not see the need to make any changes at this time.

#### **Proposed Standard Specification revisions for Cost reduction Incentive Proposals**

##### **(CRIP)**

Glenn shared comments received on the draft standard specifications and asked the group to review the Cost to Achieve Time Savings portion as he is not sure how well this will work. Greg also brought up the possibility of including the long-term maintenance savings but Anthony mentioned that on federal aid projects we need to be careful. The

federal construction funds cannot be used on maintenance and operation, as that is the responsibility of the State.

Greg would like to see any commitments made during the project development (aesthetics, noise walls, structure type, etc.) phase noted upfront to make sure these items are off limits to this CRIP consideration.

**Fall Protection Update**

Denys shared the work WSDOT has done to date with Labor and Industries regarding the static operations. The next step is to discuss mobile operations. Attached.

**Schedule and location of future meetings:**

All dates and location are subject to change.

December date depends on the availability of Secretary of Transportation

1-24-2014      [WSDOT Olympic Region, Fife Project Office 6610 16th Street E. Suite A  
Fife, WA 94242](#)

2-28-2014

3-28-2014

4-25-2014

5-30-2014

AGC Southern District Building

9:00 AM – 12:00 PM



## ADMINISTRATION TEAM

December 20, 2013

9:00 am

AGC Southern District Building

3601 20th Street East

Fife, WA 98424

Phone: 253-896-0033 Toll Free: 800-637-7717

### Attending:

✓	<b>Aleta Borschowa</b> WSDOT NWR	✓	<b>Mike Hall</b> Tucci & Sons	✓	<b>Glenn Schneider</b> WSDOT SWR
✓	<b>Jerry Brais</b> King County		<b>Darrel McCallum</b> WSDOT ER	✓	<b>Mark Scoccolo</b> SCI Infrastructure
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✓	<b>Forrest Dill</b> PCL	✓	<b>Susan Ellis</b> FHWA		

### OPEN MEETING

Greg Waugh/Denys Tak opened the meeting at 9:00am.

Lynn Peterson, Secretary of Transportation, Tina Scoccolo, Terra Dynamics and Greg Bell, WSDOT attended the meeting.

### DBE Reform Update

Secretary Peterson gave the team an overview of the WSDOT DBE reform. The reform includes the following; clear process for establishing and documenting DBE participation progress, review and update contract language for best practices to be used on projects with DBE goals, review and design best practice manual for DBE

process specific to design-build projects, increase emphasis on the voluntary goals for SBE.

### **Mobilization Payment**

Greg suggested a proposed change to how mobilization is paid on projects that has a potential to have difficulty in reaching the 10 percent work for several months. On some long duration projects consultants hired to create and submit plans ties up a lot of upfront costs, sometimes the mobilization is not paid until the next construction season. A suggestion was made to leave the specifications as is and add languages to allow Engineer to make exceptions on contracts with a large up front mobilization cost. The team also discussed the following; reviewing other owner's specifications and FHWA's perspective on this issue, Create a GSP for projects that involves heavy mobilization/preparation efforts and the 10 percent of work may take a while to reach, Pay 50% of mobilization at the contract execution, consider allowing PE discretion on when and how much of the mobilization is paid.

The team agreed to review some specific situations that warrant this change and generally agree that this occurs on a large multi season projects.

### **Cost issues with delayed bid openings and addendums**

Team members asked WSDOT to consider the cost and logistics involved on the contractors when bid openings are delayed or addendums containing minor contract change are issued. Especially in the last two weeks prior to the bid opening. Asking for subcontractors (especially DBE subcontractors) to make the last minute changes in their bid creates time sensitive logistical problems for the prime contractors. WSDOT will review our guidance to PEs during the advertisement period in the construction manual.

### **Proposed Standard Specification revisions for Cost reduction Incentive Proposals (CRIP)**

No progress other than the team reiterated on the commitments made during the design phase needs to be included in the project scope. WSDOT will review the work completed and bring back the final draft for the team's review.

### **AGC/WSDOT Equipment Rental Agreement**

The team concluded the only improvement needed is on the definition of stand-by hours and when it is paid in the construction manual. This will provide a consistent guidance on how this should be applied. This guidance will not be perfect and will not cover all situations but would be helpful in providing consistent application. WSDOT will come up with a draft construction manual language for review.

**Schedule and location of future meetings:**

All dates and location are subject to change.

December date depends on the availability of Secretary of Transportation

1-24-2014      [WSDOT Olympic Region, Fife Project Office 6610 16th Street E. Suite A  
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2-28-2014

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