

ANNUAL REPORT

2002



Building a Better West Virginia





The open competitive bidding system has long been the cornerstone of an effective administration of billions of dollars of public funds in construction contracts.

West Virginia's vast infrastructure system of interstate highways and bridges, schools, prisons, airports and water and sewage treatment facilities stands as an outstanding example of the open competitive bidding system in awarding public works construction contracts.

As Francis C. Turner, former Federal Highway Administrator, wrote in the June 1992 issue of AGC of America's *Constructor* magazine, the competitive bid system has been successful for a number of reasons, including:

- ♦ Local, county and state governments have a fiduciary responsibility to expend the taxpayers' money in the most cost-effective manner. Taxpayers demand — and should expect — the lowest price for the construction procured with their tax dollars. To do otherwise violates the public trust.

- ♦ The competitive bid system is the easiest procurement system to monitor, for it produces an objective selection process. All other systems necessarily must include a degree of subjective personal analysis that can lead to favoritism and/or discrimination — or charges to that effect.

- ♦ The system prevents any one individual from having influence over the award of a construction contract. The bids are received in sealed envelopes, publicly opened and read aloud in a continuous time sequence.

- ♦ The system maximizes competition by permitting all responsible bidders to participate in the system. It assures that public funds are administered without regard to personal favoritism.

- ♦ The open competitive bid system has fostered the development of a large number of small businesses, which have been assured through use of the system that all qualified bidders will have a fair and equal opportunity to compete for government contracts.

It has been a decade since Mr. Turner wrote this article but the principle of awarding public works contracts to the lowest, responsive bidder still stands as an excellent way to assure the taxpayers

that they are receiving projects built to quality standards at the lowest possible price, while assuring construction contractors of fairness and integrity in the procurement process.

For the competitive bidding system to be successful, government owners must adopt uniform bidding procedures which are clear and precise in order to provide a level playing field for all bidders. Most importantly, public officials must follow these rules once bids have been opened.

In recent months, CAWV members have experienced bid irregularities and formal bid protests on public construction projects. I have directed the Joint Architects Committee to form a task force to review current procurement procedures and contract document language to determine if there is a reason for an apparent increase in bid irregularities and to identify procedures to prevent future bid irregularities.

Our competitive bidding system must continue its enviable record of fairness for contractors while protecting West Virginia taxpayers.

James W. Dailey II
CAWV President

LEGISLATIVE ACTIVISM PROMOTES INDUSTRY ISSUES

The CAWV continues to effectively promote the industry's issues and concerns in the state and federal legislative arena. The CAWV's priorities in the 75th session of the West Virginia Legislature were more funding for infrastructure and less burdensome regulation so members can preserve and grow their business. Some specific issues addressed were:

- H.B. 4005 provided \$200 million in bonds to spur economic development in cities throughout West Virginia. To fund the annual debt service on the bonds, \$19 million collectively was taken from the WV Infrastructure Council, the School Building Authority and from the state parks. While the CAWV supports economic development activities, the association hopes a precedent will not be established to divert funds from water, sewer and school construction projects.

- S.B. 529 would have allowed the WV Division of Highways to enter into agreements with private developers to build roads, bridges and other transportation facilities. A CAWV task force reached an agreement with supporters of the bill on legislation that would provide opportunities to build new highways without diverting money from the DOH's ongoing operating budget. The bill died in the last days of the session.

- H.B. 4104 was a bill to set-aside 23 percent of all state contracts for resident small business. The CAWV argued that most CAWV members would exceed the limits established for payroll and annual volume, therefore, eliminating members from bidding on 23 percent of state contracts. The bill was defeated.

- Defeated a bill that would have required contractors to post a surety bond in the amount of 30 percent of their gross annual volume, or \$50,000, whichever was greater.

- A number of bills which could have raided the highway trust fund were defeated.

- S.B. 407 passed which increases the time to perfect a lien from 75 days from the furnishing of the last of the materials, machinery or other equipment and supplies, and 90 days for labor, to a uniform 100 days for both.

AMENDMENT ONE PASSES

In June, Governor Bob Wise launched the "All For One" campaign in support of Amendment One, the Local Economic Development Option Amendment, a local economic development tool that can help create quality jobs and improve infrastructure in West Virginia.

The CAWV Board of Directors passed a resolution in support of the amendment and contributed funds to help with the All For One Committee's marketing and public relations campaign. Amendment One did pass on November 5.

CAWV ADDRESSES ENVIRONMENTAL CONCERNS

Environmental laws and regulations are a great and still growing burden for the construction industry, delaying if not threatening construction projects and increasing the cost of doing business. The CAWV Board of Directors in April voted to join a coalition of trade groups to object to the environmental community's legal challenge asserting West Virginia's Antidegradation Implementation Procedures (AIP) do not meet the requirements of the federal Clean Water Act. The Board voted to intervene due to the potential to restrict economic development in West Virginia and to prevent the delaying or canceling of highway and building construction projects.

The CAWV also filed its comments on the WV Department of Environmental Protection's proposed draft on the West Virginia/National Pollutant Discharge Elimination System (NPDES) General Water Pollution Control Permit for storm water associated with construction activities. The draft permit will lower the threshold of earth disturbance requiring permit coverage from 3 acres to 1 acre. In its September 10 comments, the CAWV stated "it is critical the WVDEP design a program that is simple, efficient and readily implemented at small construction sites."

CAWV MEMBERSHIP TOPS 500

Thanks to the dedication and hard work of our members, the CAWV recently achieved a very significant goal - total membership of **500**, its highest mark ever!

"CHASE" PROGRAM - CAWV TO PARTNER WITH OSHA

Members of the CAWV Safety & Prevention Committee and CHASE Task Force continue to work with OSHA officials in developing a safety partnership agreement. Outstanding administrative concerns as well as other issues, which have held up the process, have been addressed and resolved. A revised partnership proposal has been submitted to OSHA for their review and comment. The committee and task force are confident that this new and exciting safety program will be implemented in the near future.

AGC IMPROVES CONSTRUCTION INDUSTRY AND ITS IMAGE

One of the most significant challenges contractors continue to face is the industry's image. AGC of America has instituted a number of initiatives, including a new slogan, *Building Your Quality of Life*. This new slogan reflects the construction industry's daily contribution to make a better quality of life for all Americans.

AGC continues to address issues vital to contractors: Elimination of the estate tax, reauthorization of TEA-21, funding for highway, water and sewer and building projects, blocking blacklisting regulations and legislation, workforce development, steel erection standards and workzone safety.

ARTBA CELEBRATES 100TH ANNIVERSARY

The American Road and Transportation Builders Association celebrated its 100th anniversary with a gala reception and dinner in June in Washington, D.C. Over 500 members and dignitaries attended the event which showcased 100 years of progress for the transportation construction industry. The speaker was former New York City Mayor Rudy Giuliani.

ARTBA has focused this year on the reauthorization of TEA-21, the Transportation Efficiency Act for the 21st Century, which expires in 2003. ARTBA is fighting for maximum funding for the new highway bill.

NUCA PROMOTES WATER AND SEWER FUNDING ISSUES

The National Utility Contractors Association continues to promote reauthorization of U.S. EPA's State Revolving Fund (SRF) programs to provide billions to refurbish the nation's water and wastewater needs which are estimated to reach \$650 billion by the year 2019. NUCA is also continuing its three-year effort to pass pipeline safety legislation.

In addition, NUCA presented its 2001 Chapter Merit Awards to member chapters. The West Virginia Utility Contractors Association (WVUCA) received an award in the Annual Publication category.

WEST VIRGINIA HIGHWAY LEADERS, PROJECTS HONORED

Senator Robert C. Byrd, D-WV, and the late-Senator Jennings Randolph, D-WV, were named West Virginia's top public transportation officials of the 20th century by ARTBA. As part of ARTBA's 100th anniversary, a national survey was conducted to identify two top infrastructure projects and public officials in each state during the past century. Sen. Byrd was presented his award during the CAWV Congressional Fly-In to Washington held June 26.

The New River Gorge Bridge and the completion of the state's Interstate system were the top two infrastructure projects in West Virginia. The awards were presented to Transportation Secretary Fred VanKirk at the CAWV State Meeting held April 4 in Charleston.

PROCUREMENT PROCEDURES TASK FORCE SETS GOALS AND OBJECTIVES

The Procurement Procedures Task Force of the Joint Architects Committee was formed to review current bidding procedures and contract document language to determine why there is an increase in bid irregularities and formal bid protests on public construction projects. The task force, comprised of contractors, subcontractors, engineers, architects and insurance and legal professionals, is identifying the elements of a bid package and reviewing examples of problems in bidding documents and specifications that have lead to problems after the bids are accepted.

YCC HOSTS SUCCESSFUL CAREER DAY PROGRAM

In April, YCC members offered helpful career information to area vocational and high school students during the second annual "Careers in Construction" career day program held during EXPO. The program gave over 300 students the opportunity to network and meet with professionals in the industry as well as to learn about career opportunities, job responsibilities, skills and education needed to perform jobs in the construction field.

“HARD AT WORK” CAMPAIGN REACHES TWO-YEAR MARK



This has been a very successful year for the “Hard at Work” campaign. The CAWV and its members have continued to support and

promote the award winning strategic communication plan through a number of different activities. Members have been consistently ordering signs and banners, and CAWV staff have delivered and mailed several hundred more license plates to members along with “Hard at Work” hard hat stickers. The campaign has continued to be advertised on *West Virginia Public Radio* and in *The State Journal* over the past two years, with a new medium added this past legislative session. Ads began airing on *Metro News Statewide Talkline* with Hoppy Kercheval. In addition, the CAWV provided local sponsorship for “Great Projects, The Building of America,” a series of four, one-hour films on the greatest physical achievements that made modern America.

CAWV BRINGS HOME FOUR FIRST PLACE AWARDS FOR “HARD AT WORK”

As a result of the hard work, support and enthusiasm members have provided to the “Hard at Work” campaign, the association has won four first place awards since December 2001. The CAWV has been a recipient of AGC’s Chapter Public Relations Award for Best Overall Campaign, first place winner of the American Society of Association Executives Gold Circle Award for best public awareness campaign, the Public Relations Society of America, WV Chapter, Crystal Award for best community relations campaign in the not-for-profit category, and the Public Relations and Education Campaign award from ARTBA.

2002 EXPO - LARGEST YET

The April 3 and 4 EXPO trade show attracted nearly 6,000 attendees from 30 states! A record setting 265 exhibitors featured 450 indoor booths with a mix of products and services for the design, construction, municipal and industrial markets.

Governor Bob Wise officially opened the show with remarks at a ribbon cutting ceremony. Congresswomen Shelly Moore Capito also attended and met with exhibitors and show attendees. The 2003 EXPO trade show is March 26 and 27, 2003 at the Charleston Civic Center. See www.wvexpo.com for more information.

HUB/PAC RAISES FUNDS IN 2002 ELECTIONS

The CAWV has a very effective Political Action Committee. For the first time, the HUB/PAC Board of Trustees conducted an on-line auction to raise funds for candidates running for the West Virginia Senate and House of Delegates. Through our members’ commitment to positively influence public policy, HUB/PAC contributed over \$25,000 to candidates in the Primary Election and nearly \$21,000 in the General Election. In the General Election, HUB/PAC had a success rate of 76% in Senate races and 92% in House races.

SIX STUDENTS RECEIVE CAWV SCHOLARSHIPS

The CAWV Scholarship Board of Trustees awarded a total of \$6,000 in scholarships to six students who have exhibited academic excellence. The 2002 first place \$3,000 award went to Adam Lease of Paw Paw, a junior civil engineering student at West Virginia University Institute of Technology. Additional awards included \$1,000 to the runner-up and \$500 to each of the four finalists. Also, nearly 300 members teed up at the annual CAWV Golf Outing that raised \$5,000 for the Scholarship Foundation.

TAMMY OXLEY JOINS CAWV STAFF

Tammy Oxley has joined the CAWV staff as staff assistant. Tammy served as secretary at the Regulatory Training Center in South Charleston where she was responsible for all office duties including scheduling safety classes and instructors, resolving customer complaints, answering phones and data entry.

Tammy will be the first point of contact for members visiting or calling the association and she will be responsible for gathering project and bid information and maintaining the CAWV Plan Room.

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