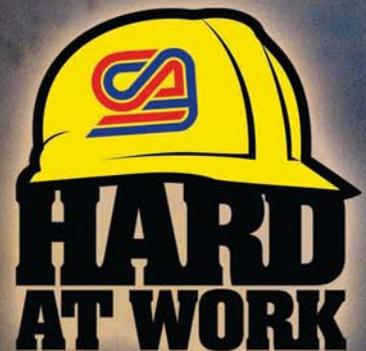




Contractors
Association
of West Virginia

2005
ANNUAL REPORT





The Strategic Planning Committee in 2002 put together a plan identifying industry trends over the next three to five years. More importantly, they developed a strategy on how the CAWV

could position itself to better represent the needs of the construction industry.

A very important component of the plan was how to effectively inform the membership of new market trends, changes in the industry and how the industry manages projects – basically, how to give CAWV members a competitive advantage in an ever-changing construction market.

To accomplish this, we are now e-mailing members our weekly Newsletter, highway, utility and building bulletins, safety information, our legislative action alerts, task force updates and new regulatory issues. The CAWV e-mails information to over 2,000 members each week to keep the industry abreast of events, and to give association members a “heads up” on issues affecting their companies.

This year, the CAWV created a powerful new tool for members that will further enhance their ability to compete on bid day. The CAWV has partnered with iSqFt to implement an internet plan room for members. This comprehensive market development strategy will enable contractors, subcontractors and suppliers to conveniently share and distribute important construction project information, including plans and specifications.

The internet plan room is the result of a year-long study by a Joint Architects Committee task force comprised of contractors, subcontractors, suppliers, architects and engineers. The CAWV/iSqFt Internet Plan Room will help members who are under constant pressure to bid more work with increased accuracy in a short amount of time.

The CAWV Strategic Planning Committee will meet again in 2005 to develop future goals, and any new plan will continue to focus on achieving the association’s long-term vision of creating a good climate for construction in West Virginia. This includes a strong influence on government policy, adequate funding for West Virginia’s infrastructure of schools, roads, bridges, and water and sewer facilities, promoting the construc-

tion industry as a positive influence on the quality of life in our state and encouraging young people to choose construction as a career so that contractors have an adequate supply of well-trained workers.

CAWV members are involved in task forces on issues that directly affect the construction industry. Building related members have been appointed to the Governor’s task force to review state purchasing procedures and policies. Our Highway Division has met regularly with administration officials and legislators to look at ways to provide needed funding for the State Road Fund. Utility members have been meeting with state and federal funding agencies on the dramatic increase in pipe prices due to hurricanes Katrina and Rita so that municipalities and public service districts can provide clean water to all citizens of our state.

This year’s Annual Report is just a sampling of how the CAWV is “Hard at Work” every day building a better West Virginia in which to live and work.

Sincerely,

Richard C. Smailes
President

LEGISLATIVE ACTIVITIES PROMOTE CONSTRUCTION INDUSTRY

The CAWV continues to effectively promote the industry’s issues and concerns in the state and federal legislative arenas. Issues addressed in the 77th session of the West Virginia Legislature include revisions to the WV Design-Build Model Procurement Act, truck weight laws, numerous environmental regulations, liquidated damages on public projects, mandatory health insurance requirements and reform to the state’s civil justice and insurance systems. In Governor Manchin’s Special Session, called early in his term, major legislation was proposed and passed privatizing the West Virginia Workers’ Compensation Commission. Governor Manchin and legislative leaders were able to find ways to pay off the Workers’ Comp debt without diverting \$40 million annually from the state’s water and sewer construction program.

CAWV / iSqFt INTERNET PLAN ROOM LAUNCHED

After a year of study by the CAWV Joint Architects Committee, the CAWV Board of Directors voted to implement an internet plan room in conjunction with iSqFt, the country’s largest provider of online preconstruction management services to the construction industry and a strategic partner of AGC. The program was officially launched to the entire CAWV membership in September 2005. Through this partnership, the CAWV is now able to offer 24 hour access to plans and specifications through the internet. Members are now able to download plans and specifications to their computers; search project documents by keyword, location and CSI code; and get instant addenda notification by fax or email. The iSqFt program also comes with Toolbox Takeoff software, allowing members to perform takeoff’s on downloaded documents without the need for paper copies. Seminars are being held throughout West Virginia to educate members on this new service.

ESCALATING MATERIAL COSTS AFFECT MEMBERS

Dramatic increases in construction materials affected the bottom line of every CAWV member in 2005. The CAWV worked with owners to provide relief for contractors and suppliers from the unexpected price increases. The WV Infrastructure Council required all applicants who filed for water and sewer project funding to revise their cost estimates to incorporate recent price increases. The State Purchasing Division worked with individual agencies to expedite bid evaluations to allow award of contracts within 30 days. The actions of these agencies helped contractors bidding the work by assuring realistic estimates and getting projects awarded more timely.

HIGHWAY FUNDING CRUCIAL TO FUTURE GROWTH

Promoting the need for adequate highway funds has taken center stage this year. The CAWV has been active on many fronts including working with Governor

Joe Manchin and WV Division of Highways officials on identifying funding problems in the State Road Fund, working with leaders of the WV Senate and House of Delegates Transportation committees on ways to address highway funding needs and conducting a forum of the CAWV Highway Division with WVDOH and Federal Highway Administration officials. An aggressive statewide ad campaign was conducted to educate the public that a safe a modern transportation system is crucial to future growth in our state.

WORKERS' COMPENSATION SYSTEM GETS COMPLETE OVERHAUL

The CAWV held seminars and promoted articles in its weekly Newsletter to help educate members about the transition of the state-run workers' compensation system to the private insurance company, BrickStreet Mutual. CAWV and Workers' Compensation officials will continue to work closely to address the changes related to this transition to help make the road to privatization smoother for the construction industry.

MEMBERS DONATE TO HURRICANE RELIEF EFFORTS

Members in West Virginia and surrounding states donated over \$75,000 to the American Red Cross to help victims of hurricanes Katrina and Rita. Thousands more were donated to other charitable organizations.

PREVAILING WAGE RATE ISSUE CLARIFIED

The CAWV worked with the WV Division of Labor to clarify an issue which arose regarding when prevailing wage rates are to be paid to truckers hauling material to and from public construction sites. The clarification resulted in no changes in how prevailing wage rates are applied.

UTILITY DIVISION TASK FORCE TACKLES WEATHER DAY ISSUE

A Joint Utilities Committee task force was successful in developing a new weather day specification to be used on future projects funded by the Rural Utilities Service. The RUS and task force members worked closely over several months to

formulate the provision that makes counting adverse weather days clear for the contractor and the owner. The provision is waiting on final approval from RUS in Washington.

CAWV HOSTS LEGISLATIVE RECEPTION IN CONJUNCTION WITH "HOUNDS" ART EXHIBIT

This year the CAWV hosted a Legislative Reception at the Avampato Discovery Museum in the Clay Center for Arts and Sciences. The reception was held in conjunction with "A Thousand Hounds, A Walk with Dogs Through the History of Photography," which was sponsored by a number of CAWV members. Members, legislators and government officials enjoyed the art exhibit and the opportunity to socialize and discuss issues affecting the construction industry.

CAWV MEMBERSHIP RECRUITING EFFORTS SUCCESSFUL

The CAWV 2004 - 2005 Membership Recruitment Award Program generated a record number of new members. As a result of the efforts of members, 41 new members were welcomed into the CAWV family.

SCHOLARSHIP WINNERS ANNOUNCED

The CAWV Scholarship Foundation awarded \$7,000 to seven deserving engineering students in 2005. This year's \$3,000 winner, Shirley Adkins, is a junior at Marshall University studying civil engineering. Additional awards of \$1,500, \$1,000 and \$500 were given to six finalists. Also, nearly 300 members teed-up at the annual CAWV golf outing that raised \$5,000 for the Scholarship Foundation.

CAREERS IN CONSTRUCTION

CAWV members and staff participated in "Career Day" activities in Mason, Cabell, Putnam and Kanawha counties in 2005. Nearly 1,000 students and faculty were introduced to the potential and varying careers in the construction industry.

AWARD OF PURCHASE ORDER CONTRACTS ADVANCED

The state Purchasing Division was instrumental in advancing the award of the WVDOH annual purchase order contracts for stone and asphalt to prevent interruption of supply. The association, in requesting the early award, pointed out that the industry had no other means of addressing dramatically increasing fuel costs associated with transportation and production. The existing contracts, some in place for as long as two years, had no fuel adjustment mechanism.

MAJOR CHANGES TO ESCALATION SPECIFICATIONS ON HIGHWAY CONTRACTS

A new Special Provision for Price Adjustment of Fuel and Asphalt on WVDOH projects went into effect for all projects bid after July 1, 2005. The CAWV and APAWV worked with the WVDOH for several months on various refinements to the specifications. The latest update eliminated all "triggers" pertaining to minimum quantities or the percentage change required for adjustment.

YOUR VOICE IN WASHINGTON

Passage of the new federal-aid highway bill was paramount to the Associated General Contractors (AGC) of America and the American Road and Transportation Builders Association (ARTBA). The new highway bill will provide over \$400 million annually, a 30 percent increase, for road and bridge construction in West Virginia. Funding for the Clean Water State Revolving Fund (SRF) remains a top priority for the National Utility Contractors Association (NUCA). All three national organizations provide an effective voice for CAWV members on Capitol Hill.

ONE CALL SYSTEM INTERNET BASED TRAINING

Miss Utility of West Virginia partnered with the CAWV to provide training on an internet-based program for contractors who want to streamline the process of contacting the One Call System for underground utility location marking.

MEMBERS ENJOY STATEWIDE REGIONAL MEETINGS

CAWV members and guests came out in large numbers to attend CAWV regional meetings around the state. This year's first event was held in conjunction with a West Virginia Power baseball game at Charleston's new ballpark. Very successful events also took place in Shepherdstown and Bridgeport. The CAWV also hosted an iSqFt seminar followed by an AfterHours reception at Glade Springs Resort in Daniels. These regional meetings give members the chance to visit with one another without having to travel to Charleston.

PAVEMENT SPECIFICATION ENHANCEMENTS

Motorists in West Virginia should be driving on smoother pavements in the future thanks to the work of a WVDOH/ Industry task force. A new pavement smoothness provision will be utilized as a shadow specification in 2006 moving contractors a step closer to assuming more QA/QC responsibility for smoothness testing using lightweight profilers.

TASK FORCE FORMED ON PIPE SUPPLY

As a result of hurricanes Katrina and Rita, contractors were told that their PVC pipe orders had either been canceled or the prices had increased 35 percent to 100 percent. A Joint Utilities Committee task force of contractors, suppliers and engineers, along with officials from state and federal funding agencies, met to discuss the ramifications of this increase on projects under construction, projects out to bid and on future project estimates. Task force members agreed that contractors should work with the owners and funding agencies to seek relief on existing projects for the price increase in pipe and the task force will continue to meet to work out issues affecting future projects.

MEMBERS HONORED FOR SAFETY ACHIEVEMENT

The CAWV Safety Awards were presented in March to eight contractors and associate members. The awards, presented by the CAWV Safety and Crime Prevention Committee, recognize members who exhibit excellence in safety at the workplace.

CAWV STAFF HIGHLIGHTS

Staff Assistant Lindsay Miller is overseeing the implementation of the CAWV/iSqFt Internet Plan Room. She is working with architects, engineers and owners to make the Internet Plan Room a valuable resource for CAWV members. Mike Zirkle, director of member services, attended a Chapter Staff Orientation Program sponsored by AGC of America in Washington, D.C. The program is designed for chapter staff to become better acquainted with the functions, operations and programs of National AGC, how they support chapter activities and to network with chapters around the country.

YCC KINGS ISLAND OUTING HUGE SUCCESS

More than 200 CAWV members and guests attended the association's first-ever Young Contractors Committee family outing at Paramount's Kings Island. Members had the opportunity to enjoy an evening of fun at the park with friends and family and spend time with fellow members at a luncheon, which was held in the park's picnic area.

THE LARGEST EXPO

Nearly 6,000 attendees from 27 states took advantage of learning from knowledgeable exhibitors in over 60 seminars at the 26th annual West Virginia Equipment, Technology and Design Exposition (EXPO). This year's EXPO featured a record-setting 285 exhibitors and 20 cosponsors.



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