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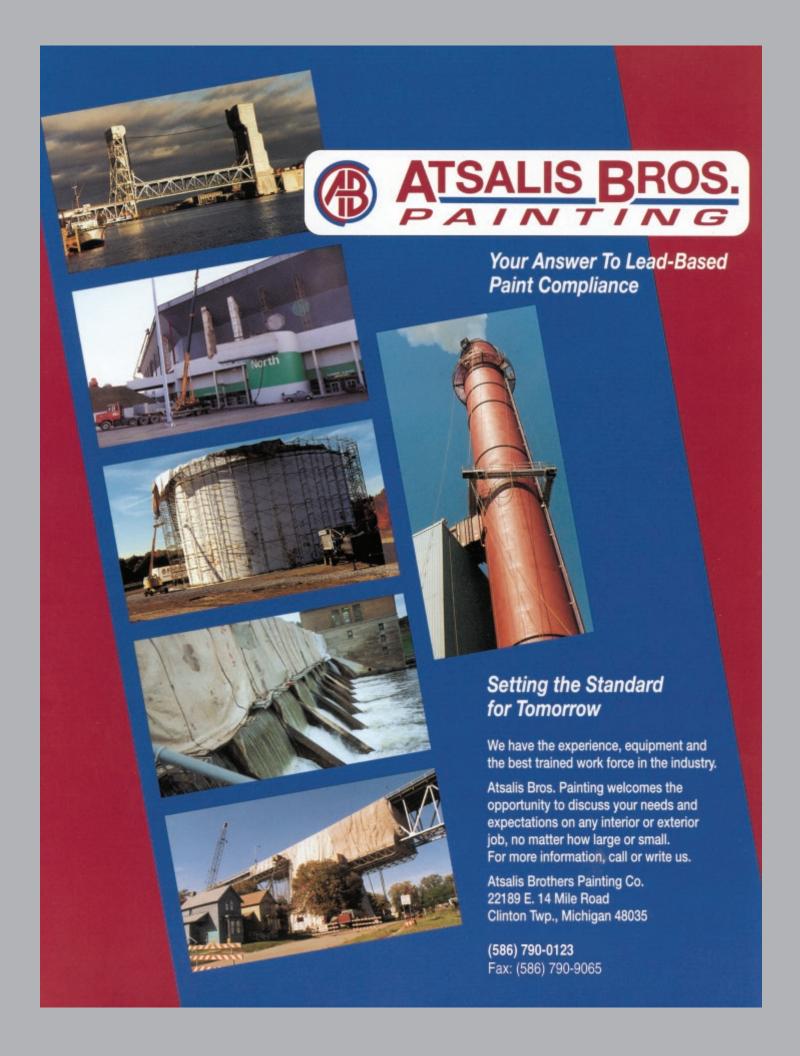


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MITA 2008 Summer Conference











Future striper Conner Shea of P.K. Contracting, Inc.





The Washabaugh girls all grown up.



Future heartbreakers: The Patzer grandkids! Riding the Crystal Coaster

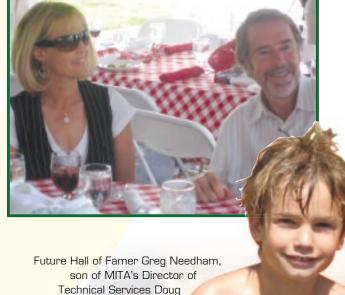
Thanks to our Summer Conference Sponsors

ITA's 2008 Summer Conference was made possible thanks to generous donations from the following sponsors. The conference was held in July at Crystal Mountain and included golf, swimming, fireworks and a river canoe/kayak/tube trip.

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John and Sherri Washabaugh, Northern Concrete Pipe.

> Bob and Lynn Kain, Michigan CAT, enjoying a good dinner mountain side.



Needham, P.E.

Sequel to Men in Black, Kids in Black.









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VOUSAICI II Letters to MITA

Dear Mike:

Congratulations to you and the staff at MITA for getting the MBT fix on materials done! Needless to say, this is one where everyone can actually say that MITA put money in their pockets.

Bruce A. Lowing

President

Hardman Construction, Inc.

Dear Bob:

I'm thankful MITA is alerting members to this scam (Fraudulent USDOT Letters). Our office received a fax from USDOT on this matter a couple of weeks ago. My staff person had it in her to-do box, but had planned on checking it out with me. I had not read or remembered any earlier alerts from MITA, but today another very official form was received over fax. This time my staff person forwarded it to me immediately. My first inclination was that it was a form neglected by the person who did our Michigan pre-qualification docs. But, reading it again, I wondered what the USDOT would need that for a Michigan pre-qualification, and we do not do federal highway work. Just as I was puzzling about it with my staff person, today's MITA alert came via e-mail. Thank you very much! We "deep-sixed" the fake form immediately. We really appreciated the alert.

Marcia Elgersma Secretary, Treasurer Al's Excavating

Dear Rob:

It was a very good article that you wrote for the Spring 2008 Cross Section asking if we are taking advantage of all that MITA has to offer. Kindly provide information on availability and costs for the following: MSDS Binder, Lien Law Packets, EEOC Compliance Manuals, Jobsite Posters, Penetrometers, Tool Box Talks and Trucking Regulation Packets.

Orrin Ladd Project Manager Novak Nurseries, Inc. (dba Novak Construction)

Dear Nancy,

Just received a copy of the Spring 2008 Cross Section. Good job!

Donald C. O'Connell

Operating Engineers Local 324

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Member Voice:

From time to time we ask MITA members for their opinions on issues that are important to the industry.

This time the question was:

"Given the fact that Michigan does not have a competitive bid statute, and public owners are allowed to waive any or all irregularities and allowed to award whomever they deem to be in the best interest of the owner, do you feel that a statewide competitive bid statute should be pursued by MITA that would award the project to the lowest, responsible, responsive bidder on all publicly funded projects?"

The following are samples of the answers we received:

No Responses

The low bid is not always in the best interest of the public. The low bid sometimes may cost the owner more than the second or third low bid.

Rich Derby

VanderLind & Son, Inc.

Best value is sometimes a better solution. With low bid, the owner does not always get the results desired. These results include, but are not limited to, items such as schedule, quality or safety procedures.

Michael Guter

URS Corporation

E.T. MacKenzie Company is vehemently opposed to the proposal of a statewide competitive bid law. A competitive bid law, which would basically force the public agency to accept the low bid,

is problematic in that the law must depend on the definition of the word "responsible." Your proposed statute would require that any publicly funded project be awarded to the lowest responsible, responsive bidder. What is the definition of responsible? A contractor who is able to get a bid bond is not necessarily responsible. A contractor who has experience is not necessarily responsible.

The public agency must have some power to determine that a bid is not in its own best interest and reject that bid if it feels compelled to do so. Right now as it is, almost all public agencies are seriously afraid to reject any low bids due to the threat of a lawsuit. If this competitive bid law were to come into place it would certainly make any rejected low bid the subject of a lawsuit.

This definition of responsible could become a non-issue if every owner were to pre-qualify every bidder for every project. E.T. MacKenzie would be in favor of this prospect. But, as you can imagine, this would cause an expenditure of time and money

Continues on pg. 18

Heavy Machinery Division



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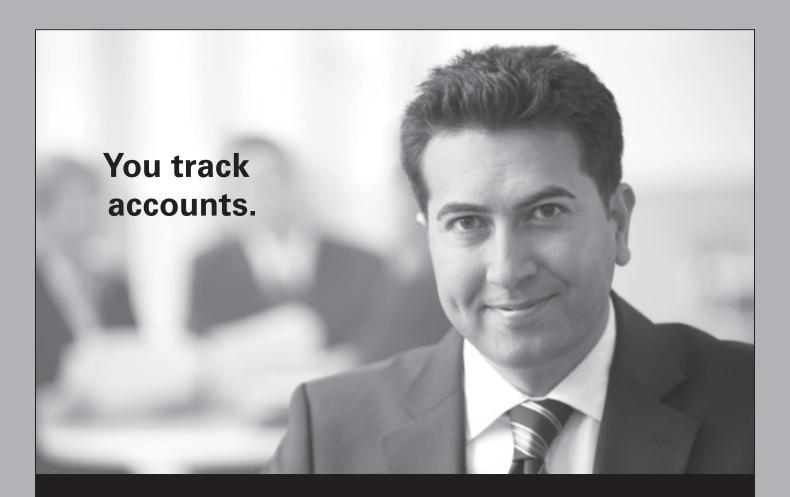
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Member Profile

Sandborn Construction, Inc.

MITA Member Since 1996

7169 Industrial Dr. Portland, Mich. 48875 **Phone:** 517:647-4018 **Fax:** 517:647-5155

President: Renee Sandborn Vice President: Brent Sandborn

Specialties:

Contractors and DBE certified in: demolition, drain tile, excavating, earthwork, site development, land clearing, foundations, meter pits, structures, landscaping, seeding, spraying, mowing, hydroseeding, guard rail, trenching, utility construction (gas, electic, telephone, cable), wastewater, pump stations, water and sewer, soil erosion control, stabilization, retention, trucking, moving, storm water management and related materials

MDOT Prequalifications:

Ea: grading, drainage structures and aggregate construction; I: seeding and sodding/turf establishment; K: sewers and watermains; N2 clearing

Ongoing or just completed Michigan State University projects this 2008 season:

DUFFY DAUGHERTY - FOOTBALL BUILDING

Sandborn Construction, Inc., has worked on all five additions at one point in the past nine years. Work consisted of footing excavation and backfill to new steam and utilities.

MARY MAYO RENOVATIONS

This is an 18-month project involving footing excavation and backfill with new storm sewer, and also the addition of heating parking areas for the handicapped.

OLD COLLEGE FIELD

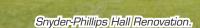
Completed site grading for new bleachers complex and installed new duct bank construction.

WHARTON CENTER ADDITION

MSU is adding on to the Wharton Center with an addition on the north side of building with site utilities and 22-foot deep basement on the south side of existing building, which required underpinning.

SPARTAN STADIUM

This was a 2004-2005 project, which was part of a \$65 million expansion to the stadium. Sandborn Construction's part of the project included new storm sewer, sanitary relocation, and the site grading for the concrete paving.



Wharton Center Addition.



Sandborn Construction employees at the West Circle Michigan State University project (from left to right): Kyle Sandborn (oldest son of Renee and Brent), Chuck Bannerman, Renee and Brent Sandborn.



enee Sandborn is giving a driving tour of Michigan State University's campus and by the end you know one thing: her blood runs green.

Driving down nearly the center of campus on Shaw Lane she continually points out the window and announces that her company's hard work lies beneath the roads. Since 1996, Sandborn Construction has worked on underground projects at the university and

George Perles Plaza at the Duffy Daugherty
Football Building.

this year is no different. Sandborn is the prime contractor on five projects this year.

"Our handiwork is everywhere; not a road I didn't do and some roads you have to do fast and it's chaotic; and over there I did the fiber optics, and I dug by the stadium..." and the happy, energetic Renee goes on throughout the tour, which includes underpinning a four-story wall at the Wharton Center for the Performing Arts and site work for an addition to the Duffy Daugherty Indoor centralized base for Spartan football and athletic training.

The big one this year, and the first project that Renee and her husband, Brent, worked on together, is a underground project that includes all utilities, water, steam, electric, fiber optics, storm and sanitary sewer, asphalt and sidewalk. This was a \$3 million project that needed to be completed in 14 weeks. They replaced 30-year-old systems, which are located behind five West Circle dormitories adjacent to Michigan Avenue and Abbott roads on the northwest side of the campus. Subcontractors on the job included MITA member companies:

- · Hardman Construction, Inc., earth retention
- · Lansing Poured Wall Co., vaults and sidewalks
- · Advanced Concrete Products Company, pre-cast concrete steam tunnel sections and vaults

The historic dorm complex is surrounded by ancient trees, including one by the Mary Mayo dorm that is 400-years-old. This tree is being protected by \$125,000 worth of sheeting installed by Hardman Construction.

"Our main emphasis is underground and we found our niche is being a general contractor," said Renee, who founded the company in 1994 at her home in Portland. "Our real strength is site construction, but we also do roads, such as last year we did Crescent Road at MSU. It was a night job of reconstructing sewer, water and the road."

To help them be successful at the jobs they tackle, MITA has helped Sandborn Construction with MDOT and MIOSHA issues. Renee and Brent said they also enjoy networking at MITA events – such as the annual ski weekend – when they get the chance. To get away from work, Renee and Brent enjoy snowmobile racing with their three children: Kyle, 18; Chelsea, 16; and Aaron, 13. Chelsea is also into horse jumping and this year is rated number one in her class. Renee has four horses and gets away on trips with other women who own horses as well.

Brent is from a third generation construction family. His grandfather, Max, owned Sandborn Excavating in Portland and his father, Craig, was part owner of Parsons Construction in Fowlerville and is now retired.

"Hopes are for a fourth generation construction worker/owner with our youngest son, Aaron," Renee said. "He knows and loves every piece of equipment we have."

Renee was recently interviewed for another magazine article that is focusing on women in construction and all the women made the same comments. They all said it is difficult being a woman in a man's world of construction, not because the work is difficult, but because they don't get invited to do the guy's stuff so networking is a challenge. In addition, she and the other women said, they still have to be super moms and do what "normal" moms do.

But, Renee is not whining at all. Business has been great. Plus, she has her four horses to take her mind away from work when she needs a break. She goes riding with Sierra, Doc, Spiceman and Indy and forgets construction for a while until the next big job comes up.



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Where Has Your MITA Hat Been?

In an effort to bring additional human interest to *Cross-Section Magazine*MITA is asking that members submit photos and brief information about "Where Has Your MITA Hat Been?"

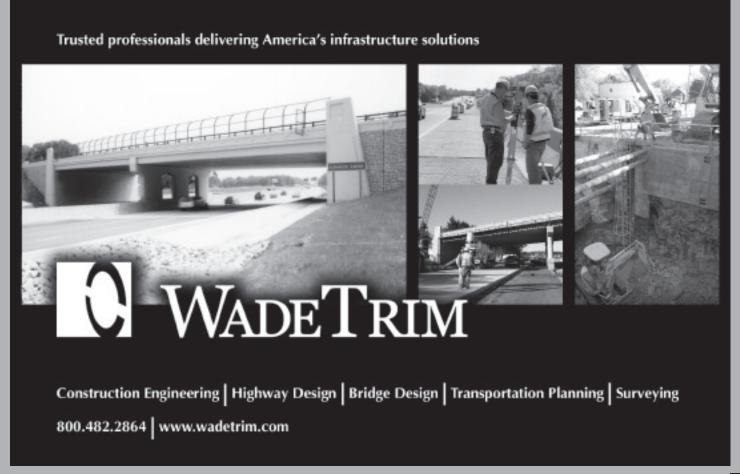
We are thinking you may have worn your hat on vacation, or hunting, or an exciting place other than a worksite. (Not that worksites aren't exotic.)

If so, please send your photo and brief information to Nancy Brown at nancybrown@mi-ita.com. The brief information should include your name, company name and the place you visited. We will publish the photos in upcoming issues of the magazine.

Thanks in advance for your participation.







Cuestions and Answers

Kathie Fournier CEO & Executive Director MISS DIG System, Inc.

1. MISS DIG, most of the major utilities and MITA are members of the Michigan Damage Prevention Board. What role does MDPB play in our efforts to reduce damages?

The key was to identify where the major problems were with the damage prevention process and put in place some great Best Practices. Just the fact that the utilities and the excavators together agreed that damage prevention isn't one sided. MDPB also opened up a great additional communication link that has resulted in continued cooperation between utilities and members of MITA.

2. What educational tools are available through the MISS DIG system?

MISS DIG has excavator handbooks that are available to anyone. We also have videos to be borrowed for safety meetings to encourage safe digging practices. There are two liaisons on staff at MISS DIG who will come to an excavator's business or their worksite to conduct a MISS DIG training/review session. We are always available to answer questions and assist excavators when extra communication with utility companies is required.

3. Has MISS Dig gone "paperless" in terms of ticket requests?

MISS DIG is proud to have web ticket entry available to excavators that want to enter their own tickets. This is a great tool and advantage for excavators. They can enter their tickets at their convenience and this will allow them to keep a copy of their ticket for their records and future verification of their call. A simple training session is required, which can be done over the phone and again at a time that is convenient for the excavator. Our liaisons are happy to work with the excavator to get them trained and assist them during their process. More information can be found on our web page, www.missdig.org.

4. MISS DIG was one, if not the first, on-call system in the country. Are there any states that do not require prior notification before excavating?

MISS DIG began in 1970 and has been a leader in the one-call industry. Our original law served as a guide for the majority of states in the early years. Today, all states require prior notification before excavating. In 2007 it was made easier for excavators that weren't sure what number to call when working in a different state – 811 is the number to call to reach the local one call center when working in a different state. This number can be used in Michigan, but the original 800-482-7171 is still available to reach MISS DIG.



Letters to MITA Continued from pg. 9

Dear Mike:

We've wrapped up our Washington, D.C., shows and I want to thank everyone who helped make this week's radio broadcasts special. I am honestly flattered that you would take the time to be involved and couldn't be more pleased with the results. I hope you felt you got your message out.

Please stay in touch and always let me know if I can help with anything.

> Michael Patrick Shiels Morning Show Host - WJIM AM 1240 and the 10 stations of the Michigan Talk Network

Dear Doug:

I'd like to thank you for participating in our National Transportation Week event at the Detroit Science Center on May 15. I appreciate your participation.

Having your display, along with the AASHTO TRAC Program modules, beside the Science Center's Mini Mac Bridge exhibit was a great fit for the observance of National Transportation Week and the promotion of careers in transportation. In the fall, planning will begin for National Transportation Week 2009, and I will be in touch with you regarding a similar activity for next year.

I hope you found this event an enjoyable experience and will be interested in participating with us again.

> John S. Polasek Director MDOT Bureau of Highway Development

Dear Doug:

Thank you for showing us your planning of the Mackinac Bridge. I liked it at Mackinac. I liked it when we went swimming at Pirates Adventure. So thank you for bringing your pictures. Thank you.

Doug Needham spoke at Dimondale Elementary in May to 20 second graders, including Doug's son, Greg. Doug talked about the construction industry, civil engineering, operating engineers and laborers. Doug used a Mackinac Bridge poster provided by ACEC, which this artistic student appreciated enough to write Doug a letter.

Dear Pat:

I wanted to thank you and MITA for all your help assisting NTH with a citation appeal that was recently resolved. Keith and I appreciate all your efforts. Thanks much!

> Judith Wiktor McInerney Corporate Health and Safety Manager NTH Consultants, Ltd.

Dear Mike:

Just a quick note to thank you for all of your efforts during this year's fly-in. I truly do appreciate everything.

This was my first fly-in, but it can't be my last. Let's keep going forward with this fight and let's make a difference!

> **David Worthams** Legislative Associate Michigan Municipal League

Dear Keith:

Janet and I and the whole chamber team really appreciated your help and contributions to our event in Lansing. Thanks again for taking the time to help us drive this critically important message with the business community - just have to keep plugging away! Please let us know if there's anything we can be helpful with in the future.

Lisa McLean

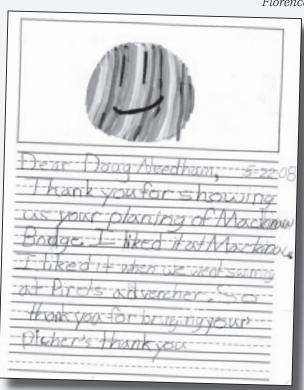
Director, Transportation Infrastructure Congressional and Public Affairs Division U.S. Chamber of Commerce

Dear Pat:

Today we received a formal no violation notice from MIOSHA as a result of their inspection of our Grand Rapids project on April 23.

I'm sure the ongoing training and assistance we received from MITA played a part in this. Keep up the good work!

> Don Riddell Florence Cement



that most projects and public owners don't have an abundance of.

The possible benefit of this law would be that maybe once in a great while a local contractor would not be given preference by a local agency. The downside would be that poor performing contractors would be given carte blanche access to generate cash flow and rip the public off if they could come up with a bid bond, turn a bid in on time and show that they have done similar work in the past. It seems that the purpose of this proposed law is to benefit the shoddy contractors who are worried that they cannot get any future work because of their poor performance on past projects.

In addition, E.T. MacKenzie is opposed to other parts of your proposed law, which are not highlighted in this poll including mandatory statewide advertisements and prohibition of local contractor preferences. The proposed local preference ban, which would go hand in hand with your "lowest responsible, responsive bidder" mandate, is particularly disturbing to us because we believe that a community should be able to have a mutually beneficial relationship with its local businesses. Local purchasing is a policy that is being promoted all over the country. It is a sound practice for all aspects of the economy including the construction industry.

If MITA continues to push this competitive bid law, then it will be made clear that MITA is not interested in looking out for the interests of the quality contractors in our organization. Instead it seems to want to protect and favor the contractor whose quality of work does nothing to promote itself.

> Michael Marks E.T. MacKenzie

I think it is a lot of effort and expense to try to solve a problem that is only a problem with a very small percentage of public entities.

The construction industry gets more that its share of laws and regulations without us adding to them ourselves.

When we as a company have a problem with particular public entity, we either bid accordingly on the next project, or we don't bid at all.

I think there are more pressing issues for MITA to concentrate on, like getting more funding.

We need more public works projects in this state, not more regulation.

Dave Maas

Diversco

It has been my experience with public owners that they do award projects to the lowest, responsible, responsive bidder and that the current practice is working. Passage of a new law is not necessary and would only add potential unnecessary costs to the small public owners' projects. Besides, I question whether the benefit to MITA members would outweigh the cost to pursue this

Linda Basista

Tetra Tech

This seems to be the only mechanism in place for public owners to protect themselves from substandard contractors bidding and pursuing work in Michigan. A change in the competitive bid law would be difficult for owners to ensure a quality contractor is awarded the work. This also protects the owner from repeated use of substandard contractors, which they may have had difficulties with on past projects.

> Jim Perry Oberstar, Inc.

I have been on both sides of the fence in this matter. Sometimes the lowest responsive bid means working with contractors less capable than others. In the whole scheme of things, it can cost more in extras, administration costs, etc. Then it becomes a pre-qualification issue as not all contractors are created equal even though they may be pre-qualified for the same projects. It's an imperfect world.

Scott Bazinet

Lowe Construction

In far too many cases the lowest, responsible, responsive bidder is determined totally by the submission of the proper bid documents with the lowest price based on the required scope of work. Unfortunately this method often results in many contracts awarded to contractors with a poor track record for quality performance. Many owners, therefore, allow themselves to be placed in jeopardy of obtaining satisfactory results on their projects. At the same time, the overall reputation of the construction industry is tarnished.

Since I do not believe we can create a fair and equitable means of preventing sub-standard contractors from obtaining a means of submitting bids, I therefore believe it best to allow owners to have discretionary power in the selection of the contractor serving the best interest of the owner.

With all this said, there should still be safeguards to prevent underhanded maneuvering by any and all contractors.

Leon Parrish

Parrish Excavating, Inc.

Has MITA ever heard the term "value?" You know when you are shopping for something (tak-

Continues on pg. 32

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Executive Vice President Comment

The Need for Mutual Fair Dealing

A majority of our state's electorate felt strongly that term limits was the ultimate cure-all for those who choose public service as their career. Taken at face value, the concept had, at the very least, cosmetic appeal. By its very nature, term limits provided the voting public with a self-cleansing mechanism that, according to many, would lessen the perceived grip that special interest lobbyists had on the legislature.

While the motives seemed to be to be somewhat pure, the consequences of this ill-conceived idea were contrary to the intent. Not only did term limits fail to lessen the impact of lobbyists but actually strengthened the extent to which lawmakers rely on the lobbying community.

The reason for this disconnect from intention is really quite simple. It's not that uncommon for first or second year legislators to chair key committees with absolutely little or no knowledge of even how the committee's operate. This problem is exacerbated when rookie legislators are appointed to key committees like appropriations.

Another glaring problem with term limits concerns trust and understanding between the two parties charged with setting the course for Michigan. Prior to term limits lawmakers, whether far to the right or left, displayed a tendency to move towards the middle of the political spectrum. There was at least a modicum of understanding of positions that provided a basis for compromise. Today, politicians in Michigan simply are not around long enough to move the needle towards center and this has resulted in extreme partisan politics and, as our lawmakers have so aptly displayed, gridlock. Here's just one illustration of what I'm talking about.

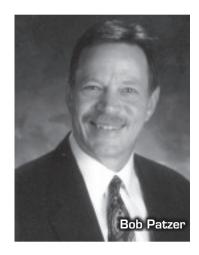
In the rush to "legislate by crisis" the House and Senate passed a substitute bill (Michigan Business Tax MBT) to replace the single business tax. Obviously we watched this bill closely since it was primarily a gross receipts tax. Passage of MBT occurred during one session long after Jay Leno had signed off. At the time of passage everyone, including treasury, assured us that tangible purchases were not included in gross receipts. However, not long after passage it became apparent that this was not the case.

MITA drafted a "fix" bill to resolve the problem and had it introduced in the Senate. The bill had no opposition, sailed through committee and unanimously passed the Senate and was sent to the House for consideration. We felt strongly that this non-controversial bill, supported by treasury, would receive fair and quick action in the House. Wrong!

The chair of the House committee handling the MBT "fix" bill decided that, due to the quick passage in the Senate, they must want this bill to be moved and thus maybe he could extort something in return. Not only that but the representative wanted MITA to do his negotiating for him. Unquestionably it is the representatives' job, not ours to enter into negotiations. The point here is that this type of behavior was

rarely seen in the pre-term limits era. If you've been checking the MITA website, you know by now that this story had a happy ending and the House ultimately approved the bill.

Again, in the opinion of this writer, term limits has not achieved its intended purpose. Rather, the process is responsible for nurturing distrust, grid-



lock and an even heavier reliance on the lobbying corps primarily to gain knowledge of the myriad of issues facing our state. In addition, contrary to what many may believe, the cleansing process ended the careers of good as well as marginal lawmakers. Be careful what you ask for...

To contact Bob Patzer, e-mail him at bobpatzer@mi-ita.com or call 517-347-8336.



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Legal Issues

Fingers in the Dike:

Interim Steps While Awaiting Passage of MITA Sponsored Statutory Solution to the Construction Manager Conundrum

By: James J. Urban and Eric J. Flessland

There is a growing practice among Owners on Michigan public works projects where the Owners have started engaging their Consulting Engineers to design/build infrastructure projects, or to act as Construction Managers on the projects they have designed. Essentially the Owners have inserted a "straw man" between the Owner and the contractors primarily responsible for performing the work. This practice threatens the industry on numerous fronts.

On a daily basis, there are essentially three Michigan statutes that in particular directly affect the operations and livelihood of every Contractor involved in public works infrastructure construction: The Differing Site Conditions Act (DSC Act)¹; the Public Works Performance and Payment Bond Act (Public Works Bond Act)²; and the Retainage Act³. This troubling trend of governmental Owners inserting private Construction Managers into the contracting chain between the Contractor and Owner on public works projects renders the enforcement of each of these Acts vulnerable.

MITA has once again taken charge and attacked the problem head on at the legislative level. Consistent with its leadership role in the industry, MITA brought together other associations representing different facets of the construction industry community. MITA presented its legislative proposals and negotiated the concurrence of those interested groups in MITA's proposed legislation. The result of this MITA initiative is a package of four bills that has passed out of the House Committee on Regulatory Reform and is presently awaiting action on the House floor.

This article addresses how enforcement of the DSC Act, the Retainage Act and the Bond Act may be vulnerable when the Owners insert a Construction Manager "straw man," explains how MITA intends to address each of these issues on a legislative basis, and advises how "subcontractors" may protect themselves in the meantime.

From one perspective there are legitimate reasons for a public Owner to utilize the services of a private Construction Manager. The public Owner may not have the resources, personnel or the expertise needed to adequately manage and administer a project. Traditionally, a private consulting engineer acting as the project engineer provided Owners with that assistance, but it was not inserted into the contract chain between the Contractor and the governmental Owner. A private Construction Manager can also fill that "resources" gap for the public Owner. However, the dynamics change when the public works Owner engages an "at risk" private Construction Manager. This type of Construction Manager administers the competitive bidding of the project and directly enters into the contract with the Contractor who will actually construct the project. Whether intended or not, insertion of the private Construction Manager into the contractual chain between the Contractor and the governmental Owner leads to potentially wicked results and an arguable evasion of the protections afforded to infrastructure contractors under existing Michigan laws.

The DSC Statute

Few involved in this industry are not already familiar with the groundbreaking DSC Act legislation secured by MITA's predecessor AUC. Michigan was the first state to enact a state law affording contractors statutory protection when differing site conditions are encountered on public works projects. The DSC Act imputes a differing site conditions clause (modeled after the well established clause used in federal

government construction contracts and which had appeared in substantially the same form in MDOT's contracts for years⁴) into every contract for the construction of a public work in excess of \$75,000 between a contractor and governmental Owner in Michigan. Thus, regardless of efforts by a municipal Owner's sharp-penciled attorney to excise such clauses from the municipality's form contracts, the protections of the DSC clause are statutorily imposed on every such contract.

The presence of the Owner's "straw man" in the contracting chain could conceivably eliminate these statutory protections that MITA worked so hard to secure on your behalf. Section 2 of Michigan's DSC Act specifically imputes the DSC clause to every "... contract between a contractor and a governmental entity for an improvement that excess \$75,000..." If the Contractor contracts with a Construction Manager instead of the governmental Owner, the Construction Manager could conceivably argue that Michigan's Differing Site Conditions does not impute a DSC clause into that contract.

Whether such a blatant effort to circumvent the requirements of Michigan's DSC Act would be sanctioned by a court remains to be seen. Al-



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though it is more likely than not that a court (whether directly or indirectly) would see to it that a Contractor was ultimately afforded the remedies otherwise available under the DSC clause in a properly pleaded and argued case, such an exercise, even if successful, is destructive. A Contractor should not be required to invest the resources and carry the inevitable negative baggage associated with litigating against a public customer and its Construction Manager in order to enjoy the contractual protections that Michigan law expressly provides. Moreover, the public Owner's best interest dictates that this scenario be avoided.

Since the DSC clause has been in effect at the federal level for approximately 80 years, the reasons for the creation of the DSC clause may have become lost to current public Owner institutional memory. Prior to the creation of the DSC clause, bidders on federal government contracts did one of two things: they either included large contingency amounts in their bids to cover unforeseen changes from assumed physical conditions or they didn't. On projects where there was no change in conditions, the "contingency amount bidders" enjoyed unearned windfall gains. On projects where the change in conditions were encountered (which coincidentally seemed to go to the "non-contingency bidders" more often than not) the non-contingency bidders were suffering business failures. Both circumstances—inflated contract prices/unearned windfall profits and a diminishing pool of qualified bidders-were deemed unacceptable to the federal agencies procuring infrastructure construction services. Therefore, these public Owners set out to correct this situation.

The solution came in the form of the DSC clause which removed the need for bidders to include contingency amounts as well as the risk of business failure for those bidders that didn't. The essence of the DSC clause is relatively simple. The Contractor submits a bid price for the project conditions represented in the bidding documents or for the conditions normally inhering in the type of work provided for in the contract. If those conditions materially change, the governmental Owner agrees that the contract price and time will be equitably adjusted in line with the additional cost and time incurred to construct the project under those changed physical conditions. The DSC concept has been remarkably successful for over 80 years at avoiding the problems it was initially conceived to address. The governmental Owners procuring construction services and the Contractors providing those services have both benefited. The public Owner pays for the cost of constructing a project in the conditions actually encountered on its site - no more and no less.

The proposed bill to amend the DSC Act is relatively simple and generally addresses two issues. First, the arguable hole created by the recent use of Construction Managers in the public works contracting chain is securely plugged. Without quoting every part of the amendment language, Section 2 of the proposed bill imputes the DSC clause to every contract "...between a contractor and a governmental entity or a construction manager acting for or on behalf of a government entity for an improvement that exceeds 575,000.00... Any argument that a DSC clause is not imputed in a contract due to interposing a Construction Manager into the contractual chain between the Contractor and the governmental Owner is precluded, and the continued mutual benefit enjoyed by the government Owner and Contractor derived from the DSC clause is assured.

The proposed bill also addresses efforts by governmental Owners or their consultants to circumvent the DSC clause by including certain clauses in the bidding documents. These clauses claim that the information contained in the bidding documents upon which the Contractor must base its bid are not part of the contract documents. The misguided intent of such disclaimers is that if the information upon which a DSC scenario would be based is excised from the "contract documents" the Owner can somehow avoid the application of the DSC clause. Given the history of, and benefits derived from the DSC clause combined with the unequivocal declaration of the Michigan legislature that DSC provisions are mandatory in public works construction contracts, the efforts to circumvent application of the clause are inexplicable. The proposed bill adopts reasoned judicial rulings striking such disclaimers of the type described here and provides at Section 2 (e) that "...the improvement

contract shall be deemed to include information representing, depicting, describing or concerning physical conditions present on, in or under the site of the proposed improvement, or information from which such conditions can be reasonably derived, which the governmental entity, construction manager, or its representative provided or offered for inspection to the bidders prior to the submission of bids, notwithstanding any disclaimer or disavowal of such information elsewhere in the improvement contract." Again, the mutual benefit enjoyed by the governmental Owner and the Contractor from application of the DSC clause remains assured.

Here's the First Finger in the Dike

If and until this amendment is enacted into law, Contractors must protect themselves by negotiating a DSC provision into contracts with Construction Managers. Contractors should not rely upon generic "flow down" clauses because the Construction Manager is likely to argue that it does not meet the definition of "contractor" in the DSC Act. While that argument is tenuous at best, the better practice is to eliminate the argument and negotiate an express DSC clause. If a court determines that the DSC Act is not applicable here, DSC provisions will not be imputed into the contract. Without a DSC provision in the contract, the Contractor is in danger of assuming the risk of differing site conditions. In the event that the Construction Manager refuses to agree on a DSC Clause in the "subcontract" then the Contractors should expect problems with the subsurface conditions, which in turn should affect how the Contractor prices the work. Therefore, Contractors should inquire before submitting a quote whether the Construction Manager is amenable to inserting a DSC Clause in the subcontract. We also recommend that the Contractor submit specific written information demands to the Construction Manager regarding the site conditions. Inquire whether they or the Owner has any information regarding the subsurface and site conditions that have not been revealed in the Invitation To Bid or Contract Documents. If a problem arises during the course of the work, and it turns out they concealed the information despite the written requests, the Contractor may be able to recover the resulting costs despite the absence of a DSC Clause.

The Public Works Bond Act

The potentially harmful impact of the insertion of Construction Managers into the public works contracting chain is not limited to the DSC Act. The Public Works Bond Act is similarly impacted. The Public Works Bond Act has been in effect since 1963 and requires that the Contractor on a public works project must provide the governmental Owner with a performance bond assuring the complete performance of the contract and with a payment bond assuring that those persons or entities furnishing labor, supplies, materials or equipment to the construction of the public works project will be paid. When the Contractor's contract is with the governmental Owner and the Contractor is possessed of the contractual right to directly hold the governmental Owner to the requirements of the contract, including the requirement to timely pay for the work performed, the Contractor's liability on the performance and payment bonds is controllable and the process works reasonably well. However, enter the Construction Manager who furnishes little, if any, of the labor, materials, equipment or supplies incorporated into the construction of the project and whose contractual relationship with the governmental Owner is much different than that of the Contractor who is investing the resources and incurring the debt to construct the project. While the Act arguably requires the public Owner to obtain performance and payment bonds from the Construction Manager, in practice, it appears that the public Owners are neither requiring the Construction Manager to provide a performance bond to assure completion of the contract nor a payment bond assuring payment to those with whom it contracts (i.e. the Contractor) for the construction of the project. Notwithstanding the lack of "upstream bonds" furnished by the Construction Manager, the Contractor is still required to furnish the statutorily required bonds. The unenviable position of the Contractor in this scenario is quickly apparent. The Contractor is under the compulsion of its performance bond and is exposed to the liability of its payment bond even though the Contractor does not have a direct

Vice President of Government & Public Relations Comment

The Challenges of Underground Infrastructure Public Relations

Sometimes it astonishes me how easy it is to get public awareness and media attention on our transportation network. Granted, with as bad as our roads and bridges are here in Michigan, I probably shouldn't be surprised. Nonetheless, our current campaign to increase transportation funding statewide is an effort to help the entire industry pull itself out of this sluggish economy, and to put a long-term fix on our transportation network thus helping to turn Michigan's overall economy around.

People see and feel the problems with Michigan's roads on a daily basis. They see the concrete falling from bridges and the plywood that is placed below those bridges in order to catch that concrete. People feel the potholes as they swerve to miss them as they do their daily travels. Ultimately, that fact makes our job of highlighting this problem much easier.

A sector of our industry where it is very difficult to gain significant awareness is with the underground industry. It seems as though if people are getting water into their homes and places of business and the waste is flowing away without any sewage backups, then no one is concerned about what is actually happening underground. For years MITA, along with several other groups including business groups and environmental groups, have pointed out that our underground infrastructure across the state, and across the nation for that matter, is aging and deteriorating at an alarming rate.

It seems that the only time that people pay attention to this call for action is when there is a sinkhole from a leaking sewer, a water main

break that affects an entire city or neighborhood or beach closings that happen during prime tourism opportunities. Otherwise, our underground infrastructure just does not get the primetime spotlight that road and bridges do.



This public relations challenge isn't something that is unique to Michigan. It is ultimately a national dilemma because so many other things take precedence at the federal level. Clean water, which is our sewer funding mechanism, and clean drinking water, which is obviously our drinking water funding mechanism at the federal level, have continually dropped in terms of the dollars that are appropriated. People are just not concerned with that which they cannot see. Therefore, with wars in other countries, a struggling national economy and other issues, you won't hear the presidential candidates talking about our need to improve our national underground infrastructure on a regular basis.

Unfortunately it takes serious high profile events to get elected officials to focus on our infrastructure. Here at home in Michigan, MITA regularly "takes advantage" of beach closings by putting out press releases that state if adequate funding and resources had been used to update and improve the sewers, then the various beach closings may not have happened.

The industry was successful in coming together and getting a ballot initiative passed in 2002, which allowed the state to bond for up to \$1 billion for our State Revolving Fund (SRF), which locals could borrow from to update and improve their local sewer systems. To date, some of that money has been used (over \$600 million will be loaned out this year), but not all of it has been appropriated for and loaned out primarily due to the tough economic times here in Michigan.

It seems that the voters in Michigan will regularly support bonding initiatives to protect the environment, as our Great Lakes and tourism tend to be a top priority for the citizens of our great state. However, when it comes to paying a small amount more for their municipal water and sewer bills, the same Michigan residents who pay over \$100 per month for cable television tend to have a negative knee-jerk reaction. Therefore, local elected officials tend to shy away from this type of much needed expenditures.

One idea that we may need to consider in the future is a toilet paper tax in order to ade-



Vice President of Membership Services Comment

A Look at the MIOSHA Appeal Process

One of MITA's most frequently used member services is the MIOSHA Appeal Service. MITA takes the process very seriously as should members. Compliance with MIOSHA regulations generally translates into safer jobsites. This article will attempt to give a peak into the process and procedures required for appeal along with the thought process involved.

The simple part: Once you've received citations from MIOSHA, simply fax them to the office in a timely manner (15 working days) and MITA will do the rest. A Freedom of Information (FOI) request and first appeal letter will be sent on your behalf. Once reviewed by MIOSHA, they generally will offer an Informal Settlement Agreement (ISA). MITA has been asked by MIOSHA repeatedly to accept more ISA on what they deem to be open and shut cases. To date MITA has not endorsed or embraced the ISA route for a couple of fundamental reasons. First, an ISA offer always comes before the FOI is received thus meaning a decision regarding the citations must be made before a review of the Safety Officers findings can be conducted. It has been my experience that the findings often collide with information gathered from the field regarding circumstances and exposures to the cited conditions. Secondly, if a citation is simply accepted it automatically becomes part of your MIOSHA record and the risk of receiving a repeat citation is expedited often by a lack of time for additional training and corrective measures

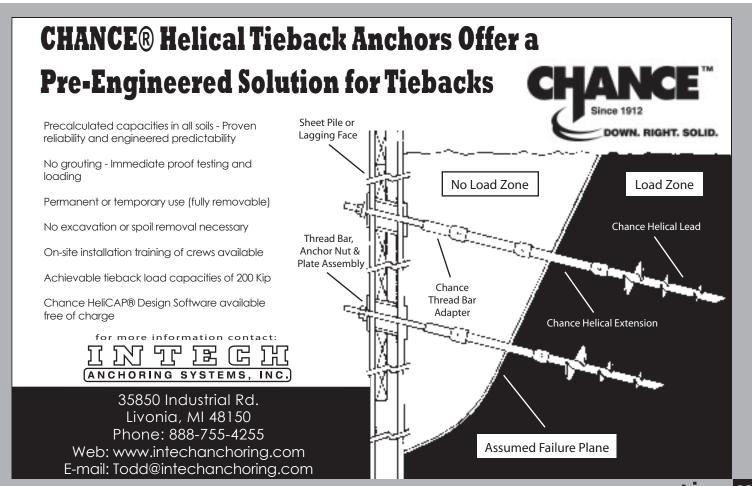
to sink in or take place.

The harder part: Once MITA receives the citations and the appeal is underway the assessment begins. The first step in the assessment process is to determine what type of impact

Rob Coppersmith

the citation carries for the entire membership. In other words, does the rule interpretation carry problems for construction processes as a whole or strictly for the member cited? Then, the member's history is factored into the equation. Today more than ever it is of the utmost importance to keep your MI-OSHA record as spotless as possible. Your record can impact everything from your insurance quotes to job awards.

The hardest part: The negotiations take place with the MIOSHA appeals officer, the safety officer and occasionally with a supervisor at the prehearing level, which I dub the win win phase. If we can get a favorable settlement at the prehearing level the process can be over; however, if the negotiations fall short of what is deemed acceptable the appeal can continue on toward a formal hear-



Vice President of Engineering **Services Comment**

What About Price Adjustment **Provisions?**

As you are acutely aware, the prices of many of the products and materials used in building road, bridge, rail, utility, sewer and water infrastructure projects continue to climb at unprecedented rates. The American Road & Transportation Builders Association (ARTBA) recently reported that the prices of construction materials overall are 15 percent higher now than at this time last year. In particular, scrap iron and steel prices have increased an astounding 93 percent in that timeframe. Overall, ARTBA reports a 48 percent increase in construction material costs from 2003 through the end of 2007.

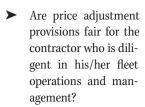
MITA member contractors, suppliers, and fabricators no longer compete simply in a local, state, or regional market for the materials that they buy to build public works projects. Today you all compete in a global marketplace where material and product prices are impacted and driven by the demands of growing nations like China and India.

The dynamics and demands of that global marketplace have generated significant price instability resulting in unique pricing structures our construction industry has not previously experienced. Suppliers are now often quoting materials with prices that are only good for 30 days, and in some cases only 24 hours. We are aware of instances where suppliers have required that the contractor take delivery of the purchased material or product within a specified timeframe, 30 or 60 days, to ensure the quoted price. A few MITA members have told us they have elected not to bid on some projects due to their inability to get firm quotes on

So, what about price adjustment provisions? Wouldn't they protect a contractor during this time of significant material price instability?

Intuitively you might think they would or should. However, when we dig in and more closely examine some of the specific details associated with the implementation of price adjustment provisions, their appeal is often diminished. Consider the following details, points, and questions about price adjustment provisions and their implementation:

- ➤ Public owner agencies remain steadfast in their position that price adjustment provisions cannot be imposed retroactively (i.e. no relief on existing contracts).
- Owners generally will only agree to price adjustment provisions that benefit both parties (i.e. if the price goes up, the contractor may get more money; if the price goes down, the contractor may give the owner money back).
- Price adjustment provisions revolve around an agreed to at-bid "index". Some question the validity of an index and how well it might represent the price a contractor or supplier pays for the respective commodity.
- Many look at price adjustment provisions as "price control provisions" as those entities that control the index, then control the price.





- Most price adjustment provisions include a +/- band around the index within which no adjustments for increased or decreased prices are made.
- Most price adjustment provisions typically include a +/- adjustment limit to cap the increase or decrease that will be allowed.
- Contractors may favor a price adjustment provision that would allow for opting in or opting out. Owners often do not.
- Are price adjustment provisions fair for the contractor who has invested capital in more fuel-efficient equipment?
- How does the prime contractor assure subcontractors and/or suppliers appropriately share both the upside and the downside of a price increase or decrease?

It is because of these details, questions, and the lack of overwhelming membership support, that MITA has not taken an official position to support price adjustment provisions. MITA has, however, been very aggressive in our outreach efforts to owner agencies across the state on the issue of material price instability.

Earlier this summer we distributed a letter discussing the material price instability issue, and the associated potential impacts at bid time, to the memberships of the County Road Association of Michigan, the Michigan Municipal League, the Michigan Association of County Drain Commissioners and the American Council of Engineering Companies of Michigan. In that letter we encouraged owner agencies at all levels to be attentive and proactive in two specific areas that impact the low bidders ability to expeditiously lock-in material and product prices, timeliness of contract award, and consideration and payment for stockpiled materials.

Our goal in requesting the owner's consideration and action in these areas was to facilitate a win-win situation for the owner agencies and our MITA members alike. For the owners, they may see the benefit reflected in their project bids, as the bidders are able to more accurately assess and quantify their risks associated with the ongoing material price instability. For our members, we believe their bids should be more reflective of their best price to build a project without significant bid-in material price instability contingencies.

> To contact Glenn Bukoski, P.E., e-mail him at glennbukoski@mi-ita.com or call 517-347-8336.

Director of Safety & Workforce **Development Comment**

The Threat from Above

When it comes to underground construction; angle of repose, ladders, ramps and spoil piles always top the list of potential jobsite hazards. These issues should be discussed frequently with employees when it comes to their safety. However, one highly important and often ignored or slighted is overhead energized power lines. Who is responsible for making sure that equipment stays 10 feet or more away from these things? The simple answer is EVERYONE. On several occasions I have witnessed excavators far too close and the standard response I receive is "why did you have to show up now" or " what else are we supposed to do?" Often crews do not attempt to be in compliance until I show up or a MIOSHA officer shows up. Please correct hazards for your own protection - not in an attempt to please others.

When you look at the issue of energized lines it's easy to see that it frequents the top of the list of recorded fatalities. This year alone four workers have been killed or seriously injured as a result of electric shock involving overhead electrical lines. These incidents are just the ones that have been reported. My experience tells me that many more near misses occur on a fairly regular basis. Please remember that energized lines are a recognizable hazard; and, as such, MIOSHA regulations require that an excavator maintain a minimum clearance of 10 feet. As the kilovolts increase, so does your required distance (consult your Trench or Fall Protection Handbook for increased tolerances). It is the qualified person's job to ensure that proper clearances are met; that way everyone can go home safe at the end of the day. The best way to make that happen is to discuss the hazard and potential problems on the jobsite. Where is the pipe being stored? How about the fuel? Do we have a designated spotter for difficult areas? Do we need to get an area sleeved? (This does not negate the 10-foot rule.) Is our top man capable of providing proper hand signals to the operator? When you have training issues coupled with hazards, the chances of someone getting hurt increases.

There are options when it comes to working in difficult areas; and, all too often, I think these options are overlooked or not pursued to the fullest. MIOSHA rules require a spotter in difficult areas. A spotter is just that, a spotter. He is responsible for informing the operator when he is getting close to 10 feet. Contractors also have the ability to request the lines be moved, sleeved or de-energized. Everyone knows it takes an act of Congress to have them moved or de-energized; but, it does happen more than people think. Just don't try to put this plan into action the day you want it done. Think ahead. If you have exhausted all options to no avail, contact MITA before you throw in the towel. We have contacts with all of the major utilities, and we will assist you in any way possible to make an unsafe situation safe.

A good way to eliminate a problem before it happens is by performing a job site analysis (JSA). MITA has applied for a grant through MIOSHA to integrate JSA's into the both the planning phase and the actual construction of a project. A JSA can help an estimator identify potential hazards that may present even before

the job is awarded. This information can be transferred to the crew doing the work and they can build off this knowledge and make the necessary changes to assure the safety of everyone involved. The second step involves the crew perform-

ing a JSA on a daily basis. When I say crew, I mean everyone should be involved and know what is going on. Communication is a key to safety, and the more people that know what is happening, the better your potential outcome.

MITA looks forward to the possibilities that a JSA will afford a contractor and its employees in both safety and efficiency.

> If you have any questions or comments, contact Pat Brown by e-mail at patrickbrown@mi-ita.com or call (517) 347-8336.

Patrick Brown



Director of Legislative Affairs Comment

Good News for Underground: State Revolving Fund Projects Spike

Good news has been hard to come by this year, as private sector development hit a standstill. Nonetheless, we are seeing continued good news coming out of the Michigan Department of Environmental Quality (MDEQ).

MDEQ is seeing very strong demand for wastewater and drinking water project loan requests from local units of government, despite the weak economy. Local governments are lining up for state wastewater and drinking water loans, with over \$1.2 billion in requests currently pending on the state's Project Priority List.

According to estimates, the state believes that it can loan approximately \$500-600 million per year over the next several years while still remaining financially viable. About \$180 million of that money is made possible because

of voter approval of an AUC-led statewide ballot initiative approved in 2002.

MDEQ approved over \$500 million in work to be done in 2008, as illustrated on the at-

tached chart. Because of delays on several Detroit projects, final numbers may come in at just over \$412 million for the fiscal year. Applications for 2009 are expected to total \$600-\$700 million for the wastewater program and about \$86 million for drinking water. There will likely be an all-time high 60 projects approved totaling over \$500 million on the wastewater side and \$50-60 million in

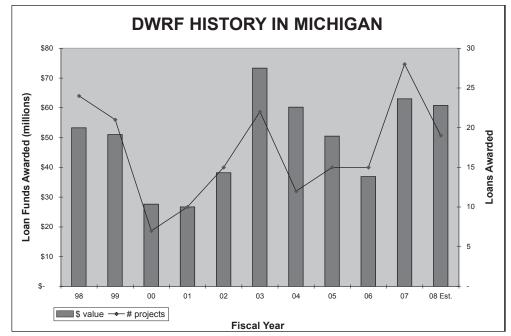
drinking water projects.

In order to accommodate the large loan requests, the state increased the State Revolving Fund (SRF) interest rates this year from 1.625 percent to 2.5 percent. This increase allowed for an additional \$100 million to be available for loans.

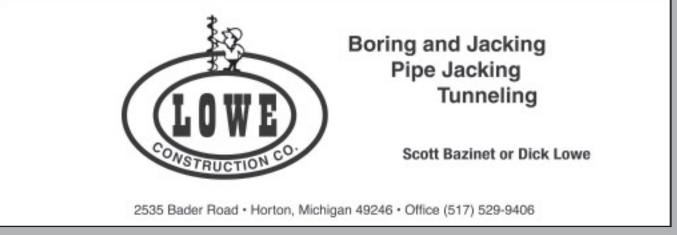
Keith Ledbetter

MITA has also been working hard to convince state policymakers to invest an additional \$1 billion per year in the state's roads and bridges. Success in this effort along with a strong State Revolving Fund program could generate significant new underground work even before Michigan sees our long-awaited economic recovery. And that would be great news for our industry.

To contact Keith Ledbetter, e-mail him at keithledbetter@mi-ita.com or call 517-347-8336.



Source: Michigan Department of Environmental Quality



LEGISLATIVE pdate

Water Withdrawal Legislation Signed by Governor

After months of wrangling and debate, lawmakers came to an agreement on water withdrawal legislation, quickly passing new water protection legislation and sending it to the governor.

MITA tracked the legislation closely for the past year, ensuring there would not be any new regulations to hamper the construction process.

There were several areas of specific concern for the heavy construction industry. One was the dewatering process, which has been exempted under the proposed legislation.

Another area of concern was in the possible limitation of water usage associated with the production of asphalt, concrete and aggregate. One bill would have cut the current two million gallon a day threshold to one million. Under the agreement announced recently, the two million gallon threshold would be maintained in all but a small number of high-risk areas.

MITA was also successful in maintaining a "seasonal exemption", waiving any new regulations on water used in projects lasting less than 90 days.

MITA MBT Fix Signed into Law

It's official. Gov. Granholm recently signed the MITA Materials Deduction Fix legislation into law. The bill was approved unanimously by both houses of the Legislature and is now Public Act 177 of 2008.

MITA began working on the legislation (SB 1217) after it became evident that bureaucrats within the Department of Treasury were not allowing the deduction that had been written into the original law. As such, construction materials like steel, asphalt and other items were required to be included into a company's gross receipts for the purposes of calculating their MBT liability.

Under Public Act 177, the tax deduction is retroactive from January 1, 2008, allowing construction companies who paid the quarterly spike to get a credit for the first quarter overpayment.

The MITA MBT fix was a major accomplishment because it had significant tax ramifications for the construction industry and it was the only MBT fix allowed this year by the Legislature.

MITA-Initiated 'Prompt Pay' Bills Pass House Committee

Contractors would be paid by governmental units in a more timely manner, in legislation that passed House committee recently.

The package of bills known as "prompt pay" legislation (HB 6173-6176) is a MITA initiative that has been in the works for two years. The legislation also cracks down on the practice of government agencies using construction managers as a "middlemen" in order to avoid requirements under the Differing Site Conditions law and the Retainage and Public Bonding Acts.

- ➤ HB 6173 requires expanded definitions, including that of construction managers. According to the bill, "at-risk" construction managers would be required to furnish the same performance and payment bonds required of a traditional prime contractor.
- ➤ HB 6174 tightens the contractual chain between the owner and the contractor by including construction managers in the requirements of the Differing Site Conditions statute.
- ➤ HB 6175 makes significant changes to PA 524 of 1980—the Retainage Act. Included in this bill is an amendment to require public agencies to pay reasonable interest upon improperly withheld funds. It would also require public owners to reduce retainage to one percent when 90 percent of the project is complete, thus increasing the cash flow to the private sector. These and other changes should have a major impact on a retainage law that is nearly 30 years old.
- ➤ HB 6176 expands the current Builders Trust Fund to include public works projects. This change should effectively ensure the free-flow of contract funds to contractors performing work on both public and private projects.

MITA gave in-depth testimony at the House Regulatory Reform Committee. Local government groups expressed concerns with various parts of the proposal. MITA has agreed to participate in work group discussions to ensure that various issues have been addressed. The legislation is not expected to make progress until after summer recess has concluded.

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Director of Technical Services Comment

When Preparing a Bid, Don't Forget ...

As you are aware, preparing and submitting a successful low bid requires in-depth knowledge of your business operations, material prices, labor costs, bond rates, equipment charges, etc. Recently, there have been a few changes to some of the behind the scene costs that must also be considered when preparing your bid.

New Michigan Business Tax (MBT)

In 2007 the state Legislature, while trying to balance the state budget, repealed the Single Business Tax and replaced it with the Michigan Business Tax. MITA was very vocal and active during this process and fought off many of the unnecessary increases that were proposed for the heavy highway and underground construction industry. Throughout this process, MITA has asked for feedback as to the ramifications of the new tax and has received many comments. Now that 2007 is behind us and a new year has started, contractors are starting to fill out quarterly tax statements and are finding changes that are impacting their overall tax liability. Some contractors are finding a tax liability increase under the new MBT. Therefore, prior to submitting your next bid, you should analyze the new tax structure and determine how it will affect your company.

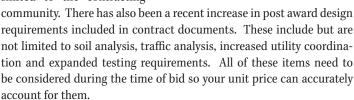
Prevailing Wage Rates

If a project involves state or federal funds, then the appropriate prevailing wage rate must be paid to laborers and mechanics of the contractor as well as those of all of the subcontractors. Owner agencies have been reminded of this requirement though the recently issued MDOT BOHIM 2008-06 "Prevailing Wage Oversight Procedures." This document reminds owner agencies and contractors that on any project with state or federal funds all workers must be paid the appropriate rate in accordance with the included wage determination. There have been instances in the past where contractors have not accurately accounted for these wage rates at the time of bid, secured the job, and ended in bankruptcy after the Department of Labor performed an investigation and discovered that the employees were paid a fraction of the appropriate wage rate. When determining labor costs, be sure to review the wage determination included in the contract documents and adjust your rates accordingly.

Increased Administrative Overhead

It seems that more and more public owners are cutting back on their workforce and placing more of their administrative work on the contractor. This is clearly evidenced in MDOT BOHIM 2008-06 "Prevailing Wage Oversight Procedures" that requires the prime contractor compile and review all certified payrolls on the project including

subcontractor payrolls prior to submitting to the owner agency. This function, which was once performed by the owner, has now been shifted to the contracting



Material/Fuel Prices

Over the past year, the ever-changing cost of materials and fuel has presented project estimators with an uphill battle. This volatile market and unstable pricing creates bidding difficulty when not only estimating project costs that span over multiple years but also over a couple weeks. As a result of the global demand for many of the raw materials (oil, steel, iron, resin) needed to construct our infrastructure, some suppliers are not able to hold quotes for more than 24 hours. For information on how MITA is working to address the current price volatility refer to the Vice President of Engineering Services Comment on page 24. The construction industry assumes many risks with any bid and clearly the cost of materials is one of those. Therefore, when preparing a bid, be cognizant of material/fuel prices. Speculate if they will rise or fall during the life of the project and bid accordingly.

These are just a few of the handful of items that must be accounted for at the time of bid. They are not always the most obvious items but they will definitely affect the bottom line. In Michigan's very competitive heavy construction environment with profit margins ranging from slim to none, items such as the new MBT, prevailing wages, increased administrative oversight, and changing material prices that are not accurately accounted for can quickly turn the bottom line negative. Just remember, that while last minute trimming of bids may result in the low bid, it may also result in "working for free" if you are not careful.

> To contact Doug Needham, e-mail him at douglasneedham@mi-ita.com or call 517-347-8336.





Traffic Safety

Before you get started:

There are five basic safety tips that apply to the whole industry. If you practice these five tips, you could make a difference.

> KNOW YOUR JOB.
> BE ALERT.
> EXPECT THE UNEXPECTED. USE GOOD JUDGEMENT.
> ALWAYS THINK SAFETY.

These tool box talks have been designed to include all of the information your company should be able to include in a five minute session. MITA suggests that you document this activity with the sign-in sheet that has been provided and keep it on file for future reference.

Working in and around construction sites expose workers to two types of traffic- vehicular and construction equipment.

Employees should adhere to the following general rules to reduce the possibility of a harmful jobsite mishap:

- When working in or adjacent to vehicular movement, always face traffic.
- Always wear retro-reflectorized safety vests, visible 360°, when exposed to live traffic.
- Back-up alarms should be functioning on all equipment with an obstructed rear view.
- Notify your supervisor immediately of any non-functioning back-up alarms.
- When possible, position equipment between workers and oncoming traffic.

Often, traffic measures seem inadequate for the volume and speed of traffic. In this case, additional precautions should be taken. The following may help:

- Call a police agency for assistance.
- Ask if road closure is possible.
- After traffic controls have been placed monitor their effectiveness before starting work.
- Be sure Traffic Regulators are using proper flagging techniques. Many MDOT projects require Traffic Regulator certification. Whether required or not, the training is a valuable components of traffic safety.
- Cover traffic signs during non-working hours. This will increase their effectiveness during working hours.

You are the key to traffic safety. Stay alert, wear the reflective vest and face traffic!

Your employer is an equal opportunity employer and as such welcomes applications from qualified female and minority applicants.

MITA PRESS RELEASES To read other MITA press releases, visit http://www.mi-ita.com and click on "News."

Letter to the Editor August 4, 2008

This letter is in response to the recent Detroit Free Press beach closing story, "With heavy rains come heavy risks".

It is disheartening that Michigan families can hardly enjoy a day at the beach without wondering what pollution is lurking in the water. It's a sad fact that there have been 54 different beaches closed this year due to unacceptable pollution levels.

Beach closings often occur after rainstorms because our sewer systems are old and lack the capacity to handle even modest water flow

increases. As a result, our toilets quickly overflow into our natural lakes, rivers and streams. It's an unsettling thought, but it is also the reason for many of our beach closings.

The federal Clean Water Needs Survey, recently presented to Congress, concludes that Michigan must spend over \$6 billion to upgrade our water and sewer systems. Instead, state and federal policymakers sit idly by as our precious waters are polluted.

It's time to clean up our beaches. It's time for policymakers to act.



500 MI Bridges in Poor Condition: Policymakers Ignore Wake-Up Call One Year After Minnesota Bridge Collapse July 30, 2008

One year after Minnesota's bridge collapse, Michigan policymakers continue to ignore over 500 state bridges rated in poor condition, 163 of which are serious, according to information today published today by the Michigan Infrastructure and Transportation Association.

"Immediately following the bridge collapse, policymakers talked about improving the condition of our bridges,"

said Mike Nystrom, vice president of government and public relations at the Michigan Infrastructure and Transportation Association. "Unfortunately for the residents of Michigan, it has all been talk. Nothing has been done to increase transportation funding to fix our deteriorating roads and bridges."

The analysis of Michigan bridges , published on the Michigan Department of Transportation website, shows the state with over 3,000 structurally deficient or functionally obsolete bridges. The federal condition rating system scores bridges on a scale from 0-9 (9 being those in the best condition) in three categories – deck, superstructure and substructure. Over 500 MDOT bridges scored poor, serious or critical, receiving a 4 or less in at least one category.

According to MDOT's five-year plan, at least one in every six of the state's most serious bridges is not even scheduled for repair in the next five years due to lack of money. Those numbers are expected to drop even further with the recent news that Michigan is projected to lose as much as \$1 billion a year in federal transportation matching funds.

"Friday marks the one-year anniversary of the Minnesota bridge collapse and Michigan lawmakers have done nothing to fix our most serious bridges in that time," said Dennis Gillow, infrastructure director for the Operating Engineers, Local 324. "The sheer number of bad bridges is frightening given our dire situation with plummeting transportation dollars."

A 2007 Reason Foundation report on the performance of state highway systems concluded Michigan has the 8th worst road system overall and is ranked 16th worst in the nation based on the number of deficient bridges. According to the Gov. Granholmappointed Citizens Advisory Committee report published last week, it is estimated that Michigan's roads and bridges will require an annual investment of \$6.1 billion – nearly two times the current funding level – for basic improvements to the state's road and bridge system. Without this investment, an additional 30 percent of Michigan roads will decline to poor condition over the next decade.

"U.S. Transportation Secretary Mary Peters said just yesterday that we need to look at alternatives to the gas tax," said Rich Studley, President and CEO of the Michigan Chamber of Commerce. "The news today highlights the importance of the state quickly finding a different and better way to fund Michigan's transportation system, especially road and bridge repairs."

Rising oil prices have led motorists to decrease their driving, but have also led to an increase in the price of steel, asphalt and concrete which exacerbates funding shortages and delays much-needed repairs.

"It is a critical time for Michigan's transportation system," Nystrom said. "We Continues on pg. 69



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MITA in the News

These are just a few samples of the numerous "news hits" MITA receives on a regular basis. For complete copies of these stories, visit www.mi-ita.com and click on "News."

Water Main Breaks

WLNS TV 6 Lansing • June 19, 2008

There were five water main breaks throughout Lansing.

They all happened early Thursday morning. Two happened on Mount Hope, one near Bedford and another near Doral. Another break spewed water near the intersection of south Washington and Dunlap. One more near south Jenison and Lenawee, and finally another one broke near Michigan Avenue and Howard.

One group says this is another sign of Michigan's crumbling infrastructure.

Puddles of water and patched holes are left on the road after the five water main breaks. Aletha Smith says she woke up to dry sinks.

Aletha Smith, resident: "There was no water and I was worried about it." Residents like Smith might have to get used to going without water.

Mike Nystrom, Michigan's Infrastructure & Transportation Association: "It's something the citizens of Lansing need to be aware of: our underground system is very old." Nystrom says water mains throughout Mid-Michigan are failing because they are old and in desperate need of an upgrade.

Mike Nystrom, Michigan's Infrastructure & Transportation Association: "Water comes into the house, we expect everything is fine.... when in fact the pipes all across the state including here in Lansing, are falling apart very rapidly..."

Age, maintenance costs concern for Mich. bridges

Associated Press • July 30, 2008

Nearly half of Michigan's bridges are at least 40 years old, causing some concern that their repair and maintenance bills could escalate substantially within the next few years.

Like most states, Michigan has not significantly changed its bridge repair schedule or spending in the year since the I-35W bridge collapse in downtown Minneapolis killed 13 people.

Michigan officials did conduct an extra inspection of their three highway bridges and a pedestrian bridge made in a similar style to the one that collapsed over the Mississippi River a year ago Friday. Each of the bridges was deemed safe for continued use.

But other than that, the state has stuck with its regular schedule of bridge inspection and maintenance. Some groups say that's not nearly enough investment.

 $\hbox{``We don't want to be Chicken Little} \ and say the sky is falling, \hbox{``said Mike Nystrom,} \ a \ spokesman \ for \ the \ Michigan \ Infrastructure \ and \ Transportation \ Association, \ a$

Continues on pg. 71

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TRAVELERS

Problem Solver

During these tough economic times, everyone is looking at ways to increase revenue. However, some methods are creating an unforeseen consequence to both the heavy construction industry and the taxpayers of Michigan.

MITA recently learned that a design firm was charging contractors an exorbitant "entry fee" for the ability to bid on local agency projects. It is not uncommon for design firms to require contractors to purchase the bidding documents from the agency/design firm to be registered as a plan holder. However, this design firm was charging an unreasonably high fee to purchase these documents.

As Michigan's construction industry is aware, a way to reduce overhead costs is to utilize the services of the Builders Exchange or Construction News Service to examine project proposals and prepare bids. These services have proven to be a valuable cost savings tool for many Michigan construction contractors. After utilizing one of these plan room services, a MITA member was denied official bid

forms because they were not a registered plan holder. The contractor had taken the time to prepare bids for three local agency projects; but, facing a \$300 fee to purchase the forms, decided to not submit bids.

Recognizing an increasing trend in high entry fees, MITA contacted the local agency and the design firm to express strong opposition to this practice. MITA informed the local agency and design firm that the imposed high fees were reducing the number of bidders for their projects and thus restricting competition. The local agencies, which relied heavily on design firms to help deliver their infrastructure projects, were unaware that these fee requirements were hindering the competitive bid process.

MITA stands opposed to the requirement of requiring contractors pay high entry fees in order to submit a competitive bid. This hindrance to the open competitive nature of the bidding process will inevitably increase the cost of doing business in Michigan.

Member Voice: Continued from pg. 18

ing bids) like a car. Now theoretically if a car has the type of motor (gas), seats (leather), windshield (glass), four tires (radial), transmission (auto), etc., it should be considered a car. (Responsible? Sure sounds like a car.)

This car even has a key you turn and the engine starts and runs, when you put it in gear it moves. (Responsive?) Now, price. Here is where people need to pay attention. Remember, you are looking at a piece of paper with numbers on it with a bond guaranteeing that you can buy this car for the price quoted no pictures, no conversations. The car you have found is 10 percent cheaper than its nearest competing vehicle, has the specified one year warranty and meets the specifications you spelled out. What a deal. Everything is great. Right? Wrong!

You and the taxpayers flipping the bill were planning on getting a new Cadillac Escalade EXT for the price you were willing to pay (\$40,000), but what you just bought was a 1970's station wagon (\$36,000), actual worth \$750. It meets all the specs, even the warranty. The shop will fix it as many times as need be in the one-year period.

Now people: please step back and realize what you are considering. The example above may be slightly far fetched, but it happens everyday in the current competitive bid market due to public agencies being afraid of legal action under the current language if the lowest bid isn't taken. All the proposed language would do is inhibit the agencies' ability to evaluate the value that different contractors bring to the table through depth of resources, experience, personnel, etc.

I feel if any change is made it should go the opposite direction forcing

public agencies to evaluate the value a company brings to the table in the long run through quality, not just the low dollar at bid time.

Can't you see that the proposed change would only help the bad companies with good lawyers, rather than the good companies who don't need lawyers.

Zachary D. Wall

Vice President

VICE I TESIGEIR

Dean's Landscaping and Excavating, Inc.

Yes Responses

I am in favor of the concept, but am curious re: the determination of the lowest, etc. I was damaged in two bid situations this year that could be poster children for arbitrary awarding.

Ron Lammy II

Modern Concrete

There are a number of issues that could be addressed; but, the bottom line is that the expenditure of public money for anything should be spent on the lowest, responsible and responsive bidder. There is no fairer way to achieve this than the publicly open bid open process. I am not, however, against a clause that awards to local contractors within a fair value of the lowest bid on projects that involve the expenditure of local tax dollars.

Tom Gallagher

Harbor Springs Excavating

It levels the playing field. Too often it's not what you know, but who you know that determines who gets the job.

Dan Giancarlo

Imperial Construction

This would help preserve the integrity of the competitive bid process.

Jim Kloote

J.E. Kloote Contracting, Inc.



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NEWS

MITA Members Nominated for Construction Hall of Fame

Joseph E. Dunigan, retired, Dunigan Brothers, Inc., in Jackson; and James Klett, retired, Klett Construction Company, Hartford have been nominated for the Michigan Construction Hall of Fame's Distinguished Constructor Award.

The Distinguished Constructor Award was established to formally recognize the significant achievements made by individuals to the Michigan Construction Industry. Selection of a Distinguished Constructor is based on the nominee's contribution over time to the Michigan construction industry. It is not, as with most annual industry awards, a competition based on the best achievements over a single project or year, nor within specific categories.

The winners will be announced in an upcoming issue of Cross-Section Magazine.

The Michigan Construction Hall of Fame

Distinguished Constructor Award

Ferris State University has enjoyed a lifetime partnership with the Michigan construction industry. Industry leaders have generously given their time and expertise to aid the development of our students. In turn, Ferris graduates have entered the workforce and, in many cases, become leaders themselves.

The Distinguished Constructor Award is established to formally recognize the significant achievements made by individuals to the Michigan construction industry. Selection of a Distinguished Constructor is based on the nominee's contribution over time to the Michigan construction industry. It is not, as with most annual industry awards, a competition based on the best achievements over a single project or year, no within specific categories.

The Distinguished Constructor is someone who has left a significant mark on the industry and community because of consistent service and achievement. Based on qualitative rather than quantitative means, the Distinguished Constructor Award Panel identifies nominees who have provided major contributions to

the industry or community based on the nominee's involvement as a constructor.

Construction Hall of Fame

To provide further recognition of recipients of the Distinguished Constructor Award, Ferris State University created a Michigan Construction Hall of Fame. This Hall of Fame serves as a permanent place for students, staff, and visitors to appreciate the endeavors of leaders of the construction industry in Michigan. It will be a home to display names and examples of the contributions of awardees and will be a visible linkage between the construction industry and Ferris State University.

The Ferris State University Construction Management program is nationally accredited through the American Council for Construction Education (ACCE). The program enjoys strong ties with its industry partners, and graduates enter the workplace as contributing members of commercial, residential and heavy civil construction firms. The Construction Hall of Fame provides an icon challenging us all to strive for excellence.

Selecting Distinguished Constructors

Awards are made to individuals who are leaders in the building and construction industry, including general contractors, construction managers, homebuilders, subcontractors and supplies. Areas of construction include:

- ➤ Residential or public housing
- ➤ Commercial or industrial building projects
- ➤ Major infrastructure projects
- ➤ New technology or practices in construction
- ➤ Innovative application of products, construction techniques or financing
- ➤ Involvement with major aspects of health and safety, quality, sustainable development, industrial relations or social change.

Elements Considered in this Process

- ➤ Examples of distinguished achievement that reflect major technical, managerial, and leadership roles within the construction industry to the extent that the individual is openly recognized within the industry as a leader with integrity and professionalism, and has contributed talent to the community in a recognizable manner.
- ➤ The nominee has achieved local, regional, state or national prominence as a result of industry or community activities.



➤ The nominee has taken a leading role in professional and community life. For example, the nominee has held senior office in relevant professional bodies or community groups, has been highly influential in this role, or has given invited keynote addresses at significant meetings and conferences.

Membership in the Michigan Construction Hall of Fame is reserved for those individuals who have distinguished themselves at the highest level.

The Distinguished Constructor Award Panel

- ➤ David Hanna, Associate Professor, Ferris State University
- Edward Brayton, Professor, Department Chair, Ferris State University
- ➤ Glenn Bukoski, P.E., Michigan Infrastructure and Transportation Association
- John Doherty, Associated Builders and Contractors
- Bart Carrigan, Associated General Contractors of America
- Bruce Rendon, Michigan Association of Home Builders
- Michael P. Smith, Associated General Contractors of America Detroit Chapter
- Kevin Koehler, Construction Association of Michigan

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THIRD LOCATION ADDED

Pro-Tec Equipment, Inc., has opened a third location at 5460 36th St. S.E., just off I-96 at Exit 44 in Grand Rapids, Mich. The new, full service location is stocked with a variety of trench shielding equipment, along with temporary road mats, street plates, light duty mats and pipe plugs. Boom truck pick-up and delivery service is available out of this location as well.



Jeb Schooley

The yard will be managed by Jeb Schooley, who can reached at 877-292-1225. Jeb brings with him knowledge of the equipment from the manufacturing side of the business.

Pro-Tec Equipment, Inc., is also located in Charlotte, Mich., and Taylor, Mich.

NEW TEMPORARY BRIDGE SYSTEM FOR CONSTRUCTION SITES

A new, portable temporary bridge system that provides ready access for vehicles and pedestrians

on construction sites is available exclusively to Michigan contractors from Pro-Tec Equipment's retail locations in Charlotte, Taylor and Grand Rapids.

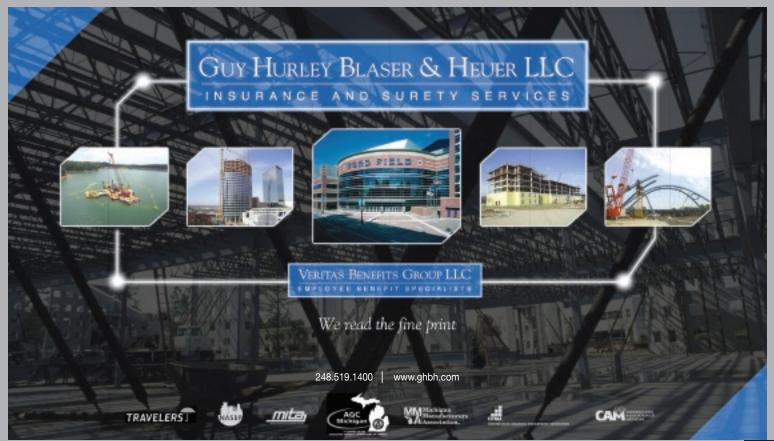
Called the Versa Bridge, it can be installed in various lengths and widths to suit the application. Each section is sixfeet wide and is available in 10-foot increments from 20 to 50 feet in length.

The system is ideal for use as temporary accesses over excavations, uneven terrain and as an emergency replacement for permanent structures. It will accommodate HS25 loading and typical dump trucks.

The entire system is designed for easy installation on the



Versa Bridge, Pro-Tec Equipment's new portable, temporary bridge system



NEWS

Continued from pg. 35

job. Each section has four integral pick points that provide stable, balanced lifts using a light duty crane, excavator or heavy duty fork lift.

The Versa Bridge is manufactured of full welded steel structures and steel decking. Sections are hot-dipped galvanized for long life. Optional anti-skid surfaces improve vehicle traction.

The Versa Bridge can be used as an emergency replacement for permanent bridges, as ready access over trenches and rough or soft terrain, and as access for pedestrians at concerts and other events. It is designed to meet loading criteria in accordance with AASHTO-US bridge design code by certified professional engineers.

Call 800-292-1225 for complete details or visit www.pro-tecequipment.com.



This could have made it into our "Where Has Your MITA Hat Been?"
One minor point made the difference, as noted here in an e-mail from
MITA Member Cory French of Oakland Companies in Troy.

"Here are a few photos from this past weekend. I am in the 20 kart and Erik Meisner is in the 99. Guess I should have had my MITA hat on." Erik is married to Brandie Meisner, chief financial officer of MITA Member M & M Excavating Company, Inc., in Gaylord.

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FTC&H is honored to announce that the American Public Works Association, Michigan Chapter has awarded the City of Lansing's Robert Busby Memorial Bridge replacement as Project of the Year in the historical restoration and preservation category.

FTC&H provided design and construction engineering services for this superstructure replacement. The pre-stressed concrete bridge spans the Grand River in Lansing's historic Old Town neighborhood. This project presented challenges from the beginning. Project personnel had to operate around historic building foundations in direct contact with the bridge's abutments, adhere to strict rules governing construction activities that may alter the neighborhood's character, and coordinate with the project's many stakeholders to ensure success. Restrictions placed on the contractor's operations by the Michigan Department of Environmental Quality during construction required negotiating with them to allow a permit waiver to keep the project on schedule. On-time completion was crucial to the community so as not to interfere with upcoming annual Old Town festivals.





In September 2006 the new superstructure (consisting of three, 60-foot spans of 36-inch pre-stressed concrete I-beams) was completed and open to the public. Many small touches complete the picture including decorative bridge lighting; custom-made ornate railings; and a spiral staircase to the riverwalk below make this structure a complement for the surrounding neighborhood. FTC&H worked closely with the Old Town Commercial Association, the voice of the nearby business community, to listen to input and requests from the affected businesses and residents.

The combination of city leadership, local community involvement and contract cooperation made this project a great success and source of pride for the community.

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Foster, Swift, Collins & Smith, P.C., is a law firm founded on the 106 year-old tradition of high quality service based on experience, performance and results. With offices in Lansing, Farmington Hills, Detroit, and Grand Rapids, the firm's attorneys provide general, local and special counsel to businesses and individuals throughout the Midwest.



Frank T. Mamat

The law firm of Foster, Swift, Collins & Smith, P.C., is pleased to announce that Frank T. Mamat has joined the firm's Farmington Hills office. In addition, he has been selected as one of the Top 100 labor attorneys in the United States for 2008. Selections were based on the volume of labor cases and the success rate of handling those cases.

Mamat, a shareholder, focuses his practices on complex labor issues, with a special focus on union matters, contract negotiations, unfair labor practice litigation, NLRB practice, organizing attempts by unions, mass picketing and violence, secondary boycotts and pressure and federal/state OSHA practice.

He has served as senior counsel to the National Labor Relations Board, General Counsel Office (Enforcement Litigation) in Washington, D.C., and the Executive Office of the President of the United States Inquiry Comments.

Mamat is admitted to practice law in Michigan, Florida, District of Columbia, United States Supreme Court, United States Court of Appeals-Six Circuit, United States District Court-Eastern District of Michigan, United States District Court-Northern District of Indiana, United States District Court-District of Columbia, and Continues on pg. 44





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That's it - nice wide stance and the release. Good job, Mark Stuecher (MDOT)!



Rod Mersino (Mersino

Metro Golf Outing Snapshots

Dewatering, Inc.) doing a little course dewatering.

Danny Dunigan (Dunigan Bros, Inc.) and his own brand of ultimate golf!



Left to right: The Irish Godfather (Mike Clark of Lawrence M. Clark, Inc.) and MITA's Executive Vice President Bob Patzer.



Chuck Russell (Pamar



2008 MITA Golf Outings

Thanks to Our Golf Sponsors and Donors

The following list shows sponsors and donors who helped make the MITA 2008 Golf Outings possible. These companies sponsored holes and beverage services for our outings and donated items for our annual auction, which was held in July at Fox Hills Country Club.

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Two MITA members were involved in a July 17 press conference/ribbon cutting to celebrate the early completion of a road reconstruction project in East Lansing. C & D Hughes, Inc., was the contractor for the \$2.9 million project and Hubbell, Roth and Clark, Inc., was the consulting engineer.

The Abbott/Chandler Road reconstruction project, which spans almost one mile between Lake Lansing and Coleman roads, has been ongoing since January 2008. Originally slated for completion in October 2008, the project was completed more than three months ahead of schedule in early July.

The project has brought improved road conditions, additional traffic and turn lanes, a new median, 8-foot pedestrian pathways and an increase in natural/wetland area. Safety and recreational opportunities were enhanced along the road and traffic flow was improved.

According to a traffic analysis conducted prior to the project, average daily traffic volumes along the road were projected to increase from 18,000 to 49,300 by 2030. The expansion of the road from two to four lanes accommodates the projected increase in traffic volume.





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MEMBER

Continued from pg. 37

the United States Court of Appeals-District of Columbia Circuit. He is a member of the Federal, American, Michigan, Florida and District of Columbia Bar Associations. He earned his undergraduate degree from the University of Rochester and is a graduate of the Syracuse University College of Law.

G2 Consulting Group www.g2consultinggroup.com

G2 is a full-service engineering firm providing geotechnical, environmental and construction engineering services to Fortune 500 companies, major utilities, property owners, government agencies and leading architectural, engineering and construction firms across the United States. Headquartered in Troy, Mich., G2 also has offices in Brighton, Mich., and Wheeling, Ill. NEW HIRE

G2 Consulting Group has hired Michael Frolov as a staff engineer in G2's construction engineering services group.

Frolov, a Troy resident, will receive a bachelor's degree in civil engineering from Wayne State University in August. He recently completed engineering internships as a field technician with Professional Services Industries in Auburn Hills, Mich., and as a construction inspector with Nowak & Fraus in Pontiac.

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NEW HIRE

Fred Schreiber, P.E., has joined HRC as senior project engineer in its structural department and brings with him 30 years of professional structural engineering and project management experience in the municipal and private market segments. As the former Road Commission of Macomb County Bridge (RCMC) engineer, Schreiber was responsible for all activities associated with the county's 222

bridges including design, inspections, load rating analyses and maintenance. Prior to his position with the RCMC, Schreiber worked as a structural engineer and associate with several consulting engineering firms where his responsibilities included structural engineering and project administration for the design, construction, and inspection of bridges, and design of buildings and public works structures as well as work for corporate entities including Ford Motor Company, Chrysler Corporation, Toyota Motor Corporation, Caterpillar, IBM, and PPG Industries.

Schreiber holds a bachelor's degree in civil engineering from Michigan Continues on pg. 46



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Technological University and is a registered professional engineer in Michigan. His professional affiliations include the American Society of Civil Engineers (ASCE), the American Concrete Institute (ACI), the Engineering Society of Detroit (ESD) and the Structural Engineers Association of Michigan (SEAMi).

Orchard Hiltz & McCliment, Inc. (OHM) www.ohm-advisors.com

OHM is a leading regional provider of municipal, transportation, environmental and water resource, construction, surveying engineering and architectural services, In 2007, OHM was named ACEC Michigan Firm of the Year, a Best of Michigan Business by CORP! Magazine and Vyto Kaunelis a Top Ten winner in the 101 Best & Brightest Companies to Work.



Shirley Ybarra

OHM recently announced the election of two new members to its Board of Directors: Shirley Ybarra and Vyto **Kaunelis**, as well as the re-election of Charlie Mahoney.

Shirley Ybarra served for four years as the secretary of transportation for the Commonwealth of Virginia, overseeing a budget of \$3.2 billion and a staff of 13,000 people. Prior to that, Ybarra served as special policy advisor to U.S. Transportation Secretary Elizabeth Dole in the Reagan administration.

Currently, she is a senior transportation policy analyst at the Reason Foundation, a nonprofit think tank advancing free minds and free markets. She also heads the Ybarra Group, Ltd., which provides consulting to governments and private sector companies in the transportation arena with emphasis on public/private partnerships, innovative financing for projects and asset management.



Vyto Kaunelis is the Director of OHM's Environmental and Water Resources Group, which delivers innovative solutions to the variety of environmental issues facing communities. Kaunelis was formerly Chief Deputy Director of Wayne County's Department of Environment. At the DOE, he led successful, nationally-recognized efforts to improve environmental quality, such as the Combined Sewer Overflow (CSO) Demonstration Program as part of the Rouge River National Wet Weather Demonstration Program in cooperation with the Michigan

Department of Environmental Quality, EPA and local communities.

"OHM is extremely fortunate to have directors of this caliber guiding our organization," said Russell Gronevelt, OHM's president. "While their fields of expertise differ, both Shirley Ybarra and Vyto Kaunelis have successfully developed long-term, collaborative solutions to issues facing our governmental agencies and their citizens. Both individuals exemplify OHM's mission, Advancing Communities."

Charlotte (Charlie) Mahoney was elected to an additional term. Mahoney is President of 4-M Associates, a community-outreach consulting firm and is active in a number of community and charitable organizations

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PROMOTIONS

Ronald Cavallaro, Jr., has been named vice president, satellite operations. In this role, he will oversee OHM's branch offices throughout Michigan and Tennessee, including a new office outside Nashville. Cavallaro, a shareholder, has been with the firm since 2006 and has 20 years experience in the industry.

Ronald Cavallaro, Jr. Jonathan Kramer has been promoted from municipal group director to vice president, Livonia operations. Kramer has been with OHM

since 1994 and is a shareholder. As vice president, Kramer is responsible for the operation of OHM's municipal, architectural, environmental, transportation, surveying and construction groups.

Christopher Lamus has been promoted from survey group director to director of field operations, where he manages OHM's construction and survey groups. Lamus joined OHM in 2002 and is also a shareholder in the organization.



Christopher Lamus

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The BF-1000, a 1000-gallon per minute bag filter, allows for high efficiency high flow filtration of many fluids like oil, water and general process systems. Typical

uses are found on construction sites, refineries, petrochemical plants

and general manufacturing facilities. The unit is configured as a stand-alone unit or it can be manifold to achieve higher flow rates.

The BF-1000 is manufactured out of stainless steel and has been made to be a codeapproved vessel with ASME certification. The unique design of the unit permits each filter to be separate from the other, which allows for continued operation while

changing filter media and independent operation as flow conditions change.

MIDWEST FLOOD RELIEF EFFORT-2008

Since late May, Rain for Rent has been providing emergency response services to the saturated cities and towns along the fractured Mississippi River. The emergency response situation created by the recent 500-year rain event required immediate



action from the U.S. Army Corps of Engineers (USACE), the National Guard (USNG), and other local, state and federal agencies.

The USACE called on Rain for Rent, a nationwide liquid-handling solutions company established in 1934, to help them combat the rising waters that threatened homes, farmland, businesses and public service infrastructures. Within a matter of hours, Rain for Rent's St. Louis branch delivered numerous 4-inch, 6-inch, and 8-inch Power Prime™ pumps, hose, fittings, and filtration equipment to the Quincy, Ill., National Guard Depot. Dave Veizer, Rain for Rent St. Louis branch manager, remained on-site at the Guard's Depot throughout the equipment delivery.

Mark Bybee, Rain for Rent St. Louis sales representative, coordinated a pump system in the City of Quincy, Ill., to protect the City's Water Treatment Plant. The Rain for Rent St. Louis team worked around the clock to install and activate a turnkey pumping system.

The National Guard sent in sheet pilings to keep the floodwaters from the Water Treatment Plant, while Rain for Rent pumped from behind the temporary wall to save the plant's fresh water from contamination. Rain for Rent's emergency response, turnkey pumping solution included site preparation to protect both existing and reinforced portions of the levee; provision of all crane, heavy equipment, lighting, and fuel services; and a 24/7 operations, pump watch and maintenance team to remain on site for the duration of the project.

Veizer, Bybee, and many other Rain for Rent employees, worked with 1,500 National Guard troops and countless volunteers to provide emergency flood relief throughout the City of Quincy and its neighboring towns.

In addition, at the request of the USACE, the Rain for Rent Chicago branch provided a turnkey pumping system consisting of large diameter axial flow pumps at the Saylor Ville, Iowa Dam. The equipment and personnel were mobilized and the system was up and running within 48 hours.

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The Chicago team also responded to numerous other requests for pumps from commercial facilities, the City of Davenport and the City of Cedar Rapids. Mike Zudycki, Chicago branch manager, along with the Chicago based team of Rain for Rent professionals, worked around the clock providing Rain for Rent's Solutions-based services. They have been complimented by the USACE, USNG, and local and state agencies for their fine work.

The pumping efforts continue. Rain for Rent has mobilized specialty filtration systems, temporary liquid storage tanks, and vacuum and roll off boxes to assist with multiple environmental clean up activities throughout the Midwest.

As a first responder to the Hurricane Katrina disaster and to the current Midwest flood event, Rain for Rent doesn't just rent iron, they provide Complete Solutions... Proven Results™. The USACE has been highly impressed by Rain for Rent's equipment, coordination, dedication, and expertise and therefore has listed Rain for Rent on their website as a flood relief preferred vendor.

Testing Engineers & Consultants (TEC)

TEC provides client support from property acquisition through construction, renovation and restoration. Expertise includes environmental and geotechnical engineering and consulting a well as facilities engineering, construction materials testing, indoor air quality and asbestos, lead and mold management services.

John and Katherine Banicki of Testing Engineers & Consultants (TEC) became honorary members of AIA Michigan at a special May ceremony at the St. John's Conference Center in Plymouth, Mich. This high honor is reserved for a person who is not only an architect but who has made significant contributions to the field of architecture.

Katherine is president and chief executive officer of TEC and has served in many positions in the firm since it was founded in 1966.

John is the founder and chairman emeritus of TEC and has served in many positions in the firm since it was founded.



Katherine and John Banicki

Wade Trim

www.wadetrim.com

Wade Trim has more than 450 professional and support staff in 21 offices throughout Michigan and seven additional states. They provide engineering, GIS, surveying, planning, operations, landscape architecture, and construction services for transportation, water resources, land development and municipal government projects.

CERTIFICATIONS



Scott Hurley

Scott Hurley, Casey Hanson and Janice Kwiecien

of Wade Trim's Taylor office, earned their Geographic Information Systems Professional (GISP) certification. Overseen by the GIS Certification Institute, the certification program recognizes GIS professionals who have met educational and professional development requirements, contributed to the profession, and have met the standards of ethical conduct. GIS professionals must renew their

certification every five years. Currently, there are 2,193 certified GIS professionals worldwide, 68 of whom reside in Michigan.

Kwiecien is a GIS Analyst in Wade Trim's Municipal Services Group. With more than five years of experience, Kwiecien's expertise includes creating maps and creating and analyzing environmental, parcel and utility mapping. She earned a bachelor's degree in geography from Central Michigan University in 2002 and joined Wade Trim after graduation. Kwiecien is a member of IMAGIN. She resides in Southgate, Mich.



Janice Kwiecien

Hurley is the GIS practice manager in Wade Trim's

Municipal Services Group. He oversees the firm's GIS Practice and manages all GIS projects corporate-wide, including enterprise-wide and infrastructure GIS planning, implementation and technical services. He is also responsible for all internal GIS activities for Wade Trim's 21 offices. Hurley has a bachelor's degree in geology from Washington University in St. Louis and is currently enrolled in a Certificate of Facility Management Program at Ferris State University. He presents frequently at regional and national conferences and will present two papers at this year's National Collegiate Facilities Management Technology Conference in Los Angeles, Calif. Hurley resides in Ferndale, Mich.



Casey Hanson

Hanson is a senior GIS analyst in Wade Trim's Municipal Services Group. With more than six years of experience, he provides mapping and technical support to Wade Trim staff and the firm's client communities. His expertise includes parcel creation and mapping, GPS tools and techniques, and GIS utility asset management systems. He is also responsible for creating and maintaining GIS server applications. Hanson earned his bachelor's degree from Eastern Michigan

University in 2001 and joined Wade Trim in 2002. He is a member of IMAGIN, a Michigan association for GIS professionals. Hanson resides in Westland, Mich.

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Partner NEWS

The American Council of Engineering Companies of Michigan

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ACEC of Michigan is the association representing the business interests of Michigan professional engineering, surveying, architectural and related scientific firms who provide professional knowledge to the built environment and strive to protect the health and safety of the public. ACEC of Michigan is part of the American Council of Engineering Companies headquartered in Washington D.C., and is comprised of more than 5,500 firms nationwide that employ more than 300,000 engineers, architects, land surveyors, scientists, and other specialists, responsible for more than \$100 billion of private and public works annually. For more information regarding ACEC of Michigan, visit the ACEC website at www.acecmi.org or contact the ACEC Lansing office at 517-332-2066.

The American Council of Engineering Companies of Michigan (ACEC/M) has announced Roger C. Johr, P.E., and principal-in-charge of engineering from Williams and Works (Grand Rapids), as its 2008-2009 president.

Johr's career spans over 33 years and is highlighted by his extensive design and construction experience in bridges, highways and large public works projects.

He has been involved with ACEC for more than 25 years. Beginning as a firm representative for WW Engineering & Science, his involvement and responsibilities with ACEC evolved over the years to include chairman of the ACEC/M transportation committee, chairman of the bridge technical committee, cochair of the MDOT Consultant Selection Task Forces I and II, and member of the ACEC/MDOT executive committee. In these roles, he has focused on developing and building a partnering relationship with the Michigan Department of Transportation and the consultant community.

Williams & Works is an employee-owned consulting firm that provides engineering, surveying, and planning services. The firm has a staff of more than 50, with headquarters in Grand Rapids and a branch office in Milford. The Williams & Works "tradition of service" dates back to 1924 when the predecessor company was first founded and incorporated.

Johr and his wife, Rita, live in Caledonia, Mich., where Rita manages their alpaca ranch, the Circle R Ranch. They have two Continues on pg. 52



Roger C. Johr, P.E.





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The Asphalt Pavement Association of Michigan (APAM) is a nonprofit trade association representing the Hot Mix Asphalt industry in Michigan. On June 8, 2005, the boards of directors of the Michigan Asphalt Paving Association (MAPA) and the Michigan Pavement Association (MPA) approved the merger of their respective organizations to form the Asphalt Pavement Association of Michigan (APAM). Organized in 1950, MAPA's 58 members included Hot Mix Asphalt (HMA) producers and paving contractors and related industry materials, equipment and service providers. MPA was founded in 2000 and its 13 members were located throughout the state. The Asphalt Pavement Association of Michigan is the voice of the asphalt paving industry.

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Our 50 Associate members are suppliers, manufacturers, service companies related to the asphalt pavement industry and also other highway industry contractors. They provide valuable support for the association's programs and activities, as well as advice and counsel related to their areas of expertise.

The Officers and Directors of the Asphalt Pavement Association of Michigan are as follows:

President – Jim Klett - Michigan Paving & Materials Co.

Vice President - Andy Schmidt, Edw. C. Levy Co.

Secretary/Treasurer - Kevin Gannon, Payne & Dolan, Inc.

Directors At Large:

Vance Johnson, Central Asphalt, Inc.

Keith Rose - Rieth-Riley Construction Co., Inc.

Mark Johnston, Ajax Paving Industries

Tony Winters, Aggregate Industries

Bruce Bolen, Bolen Asphalt Paving

Dan Stover, Cadillac Asphalt LLC

Chad Loney, Rieth-Riley Construction Co., Inc.

In promoting the best of industry practices and product knowledge, and in marketing our product, APAM strives to be a trustworthy collaborator with the Michigan Department of Transportation (MDOT), local road agencies, county road commissions, and the private sector.

Events

Building on the tradition established in 1977, the annual Asphalt Paving Awards Program is a cooperative effort between the APAM and MDOT. The awards program recognizes excellence in hot mix asphalt pavement construction. All APAM members and their customers; owners, MDOT Region and TSC offices, consulting engineers and County Road commissions are invited to nominate projects that exhibit exceptional construction qualities. The projects are grouped into 10 different award categories and evaluated in nine quality areas. The awards are given out at the annual awards banquet held in December.

In February 2007 the APAM Board of Directors agreed, that a Scholarship Committee be created to provide input and guidance for a Scholarship program. A Startup Contribution of \$50,000 was made to The National Asphalt Pavement Association Research and Education Foundation to reserve the funding name of "Asphalt Pavement Association of Michigan Scholarship Fund." In 2007, over \$13,000 was raised from the 1st Annual APAM Scholarship Golf Outing. The APAM Scholarship Program seeks to ensure the future of the asphalt industry and that of asphalt as America's leading choice in paving materials. The scholarship program offers:

- ➤ An incentive for engineering students to select courses in asphalt technology
- ➤ A workforce with training in asphalt technology; and
- ➤ An incentive for colleges/universities to offer training in asphalt technology

In 2007, four \$1000 scholarships were given out and APAM plans to award four \$2000 scholarships in 2008. The scholarships are presented at the annual awards banquet held in December.

2009 will mark the 53rd Annual Asphalt Paving Conference. It will be held February 25 and 26, 2009 at the Radisson Plaza Hotel & Suites in Kalamazoo. This annual conference provides an opportunity for those involved with the asphalt paving industry to get together and share ideas. It also is a chance for learning the latest in quality construction techniques at the educational sessions.

Partnerships

Through numerous task forces and committees, APAM staff and members work closely with MDOT and MDEQ to make sure the industry's interests are represented in specifications and regulations.

For example, a recent success has been the formation of the Hot Mix Asphalt Operations Committee (HMAOC).

The HMAOC is a joint committee of MDOT, APAM Contractors and Federal Highway Administration (FHWA). The HMAOC's mission is the identification and resolution of strategic issues to ensure the highest quality HMA pavements. Representatives to this committee are from the upper management of their respective organizations. The two main sub-committees that work under the HMAOC are the HMA Technical and HMA Construction committees. Recent accomplishments include a new HMA acceptance specification and a laboratory qualifications program.

Staff

APAM's professional staff includes 3 full time positions and one part time position: the executive director, an engineer, an executive assistant and a part time communications specialist. The office is located in Okemos in the new MITA building.

John Becsey, executive director, has been at the helm since 1991. Chuck Mills, director of engineering, came over from MPA in 2005 when APAM was formed. Beth Wilson, executive assistant, has been with the association since 2000. Debi Phillips, communications specialist, has been with the association since 1995.

The Association has an experienced staff ready to offer assistance and guidance on all aspects of asphalt pavements including:

- ➤ The latest information on best practices in asphalt pavement design and construction.
- ➤ Selecting the right asphalt mixture for your project.
- ➤ How to stretch your pavement budget.
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If you have any questions about APAM or Asphalt pavements, please contact our office at (517) 373-7800 or visit our website at www. apa-mi.org.

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Partner NEWS The American Council of Engineering Companies of Michigan

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adult sons and two grandsons; their youngest son is a petty officer in the U.S. Navy. In his "spare time," Roger also serves on the board of directors for Lutheran Child and Family Services of Michigan.

2008-09 ACEC/M OFFICERS:

President-Elect: Paul Wade, P.E., of Spalding DeDecker Associates, Detroit

Treasurer: Andrew McCune, P.E., of Wade Trim, Taylor

National Director: Mark Smolinski, P.E., of G2 Consulting, Troy

Past-President: Tom Long, P.E., of Rowe, Flint

2008-09 ACEC/M BOARD OF DIRECTORS:

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Engineering Groups Sign Agreements to Share Executive Director

The American Council of Engineering Companies (ACEC/M), the Michigan Society of Professional Engineers (MSPE) and the Michigan Section of the American Society of Civil Engineer (ASCE) have signed agreements to have a single executive director represent all three engineering organizations. Effective July 1, 2008, Ronald W. Brenke, P.E., will become the executive director for all three organizations.



Ronald W. Brenke, P.E.

Brenke has been the executive director for ACEC/M since September 2003. After several months of discussion, the leadership of the three organizations quickly realized the benefits of working more closely together and sharing resources.

"After reviewing the programs and efforts by the various engineering groups, it became obvious that we could all benefit through a collaborative effort," said ASCE President Rhett Gronevelt, P.E.

Although each group will remain as independent associations, they will share an office and staff located in the MSPE building at 215 N. Walnut St. in Lansing. The three engineering groups represent a large faction of engineers in Michigan together totally over 7,500 engineers and over 100 engineering firms.

"Engineers will now have a stronger, more unified voice when it comes to issues affecting the profession and practice of engineering," said ACEC/M President Roger Johr, P.E.

Brenke's prior experience includes five years with the Federal Highway Administration (FHWA) working in design, construction and in federal aid; six years as the director of technical services for the Michigan Road Builders Association; and nearly five years as executive director for ACEC/M.

"We are very pleased that we will have a professional engineer serving as executive director," said Eric Johnston, P.E., president of MSPE. "Ron not only has the experience of managing an association, he also understands engineering issues."

For more information, please call the engineering office at 517-332-2066.

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Anlaan Corporation

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Dan Wisinski

PSI

If a project is advertised for bid, it is only fair to all bidding contractors that the lowest, responsible, responsive bidder be awarded the project. However, the owner should be critical in their bid solicitation process. For example, many owners have a bidder pre-qualification requirement, whether it be MDOT pre-qualified or locally pre-qualified. This eliminates the possibility, prior to bidding, of a poor contractor performing the work. So, there needs to be regulation on the award end to prevent contractors from putting forth the time and resources needed to submit a bid if not necessary, but pre-qualified contractor solicitation should be used and should alleviate any concerns by the owner.

Jason Sandusky

Peters Construction Co.

I have found that certain agencies use the waiver option as a broad brush to potentially ignore a responsible low, or best value bid option. Today the agency can make these decisions without providing the public (taxpayer) a clear and scientific explanation of how they arrived at such a decision. In those cases, I do not see how it is in the best interest of the owner (taxpayer).

Daniel Mergens Edw. C. Levy Co.

"Responsible" is the key if you go with a com-

petitive bid statute. There needs to be a mechanism in place to ensure that all bidders are capable and have the required experience, equipment and personnel to complete the project in a orderly and timely manner.

John Morgan

Contech Construction Products, Inc.

All public owners should follow MDOT in their bidding procedures. Most use MDOT standards for their job spec. They might as well do the same with bidding out jobs. Then all will be on the same page with all aspects of their job.

Tom Rehmus

A.J. Rehmus & Son, Inc.

I feel that it is in the public's best interest to have projects awarded this way. This is why we require performance and payment bonds from the contractor's bidding the projects to protect the public interests and guarantee completion of the project(s) in accordance with the contractor documents and specifications in a timely manner and with all related construction costs being paid. It minimizes the chances for favoritism taking place, which could end up costing the taxpayers (you and me) more money to build the project. While there are no absolute guarantees, the necessary pre-qualification process performed by the surety industry significantly reduces the odds of contractor default and improves the odds for a properly built project delivered in a timely manner. While some flexibility should be granted to owners (e.g. low bidder has clearly made a mathematical error or material error in cost estimating), these should be clearly defined to prevent any abuse and deviation from the competitive bid law. Even if one of these situations does happen, the contractors bidding the job in most cases have provided a bid bond or some other form of bid security, to the owner to either pay for the re-letting of the project; or, if in sufficient amount, it could allow the owner to pay the difference between the first and second low bidders and go ahead and award the project vs. re-bidding it.

While there may be specific instances where an exception can and should be made, the introduction of a statewide competitive bid law would, over time, prove to be more cost effective for our state government and the taxpayers potentially resulting in savings in the millions of dollars. In difficult economic times like these, this would be a good thing and prudent thing to do.

Carl VandenBosch

Mapes Insurance Agency

Bidding in Michigan is not normally pursued by our company because of this issue. Project award does not reflect your ability to complete, history, repairs if needed, relations, or safety. Those issues are all assumed to be covered by the owner or the spec.

Bottom line is that we are required to compete against contractors who stay just below the radar with the cheapest price. Our company mission prevents us from working in your fine state.

Mark Slusser

Slusser's Green Thumb, Inc.

To provide a fair competition for all bidders. Gennady Bilzon

Six-S, Inc.

Because if they are the lowest competent bidder and can prove a history of competent work on past projects, the lowest bidder should be awarded the job because they have: examined the bidding documents and sites, and put a number to a job, and proven that historically they can get the job done - then they are the right person for the job.

Thomas R. Hurst II

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MITA Invites Members to Attend State Funding Meetings

Earlier this year the governor and legislative leaders established a transportation funding task force to make recommendations on alternatives for funding transportation in Michigan. MITA Vice President of Government and Public Relations Mike Nystrom serves on the task force, which meets monthly through November.

MITA members are encouraged to attend the meetings and voice their opinions about the impact state transportation funding has on your businesses and your local economy. Your input needs to be heard loud and clear in order for the task force to offer recommendations to the governor that will effectively increase transportation funding and thus help your business be more successful in the future.

The meeting schedule is subject to change. MITA will keep you informed on the times, locations of meetings and any date changes. You may also visit www.michigan.gov/tf2 for updates.

Please contact Mike Nystrom at mikenystrom@mi-ita.com or Keith Ledbetter at keithledbetter@mi-ita.com or call the MITA office at 517-347-8336 with any questions or comments.



Transportation Funding Task Force

WORK ZONE AHEAD: PROCEED WITH VISION

2008 Meeting Schedule

MARCH 7 - Lansing

Bureau of Aeronautics Auditorium 2700 East Airport Service Drive Capital City Airport Lansing, MI 48906

APRIL 21 - Grand Rapids

The Rapid Central Station 2nd Floor Conference Room 250 Grandville SW Grand Rapids, MI

MAY 19 - Southeast Michigan

VistaTech Center Schoolcraft College 18600 Haggerty Road Livonia, Michigan 48152

JUNE 30 - Lansing

Bureau of Aeronautics Auditorium 2700 East Airport Service Drive Capital City Airport Lansing, MI 48906

JULY 21 - Traverse City

Northwestern Michigan College Great Lakes Campus Hagerty Center 715 E. Front Street Traverse City, MI 49686

AUGUST 11 - Frankenmuth

Zehnders of Frankenmuth 730 S. Main Street Frankenmuth, MI 48734

SEPTEMBER 8 - Lansing

Bureau of Aeronautics Auditorium 2700 East Airport Service Drive Capital City Airport Lansing, MI 48906

SEPTEMBER 29 - Marquette

Holiday Inn 1951 U.S. 41 West Marquette, MI 49855

OCTOBER 13 - Alpena

Alpena Civic Center 133 Johnson Street Alpena, MI 49707

OCTOBER 27 - Lansing

Bureau of Aeronautics Auditorium 2700 East Airport Service Drive Capital City Airport Lansing, MI 48906

Meeting locations are subject to change. If there are any changes, a revised schedule will be posted on our Web site at: $\underline{www.michigan.gov/TF2}$

Every effort is made to provide materials in printed and electronic, reader-friendly formats. To request alternative formats, such as large print or audio tape, please call 517-373-9534.

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Legal Issues Continued from pg. 21

contractual relationship with the governmental Owner. As a result, it lacks a "direct" source to the funds that should pay its contract price and it has no payment bond to look to as security for payment of its contract price. You think the concern is too speculative - - - a mere jumping at shadows? Think again.

Actual case in point: A school district owner in southeastern Michigan engaged a Construction Manager to oversee its project, and did not require the Construction Manager to furnish a performance or payment bond on the project. The Construc-

tion Manager proceeded to let the various trade divisions of the project as multiple prime contracts with each "prime" being required to furnish 100% payment and performance bonds on its scope. The school district overspent its budget on the project and was financially embarrassed when payment became due for the work that Contactors performed. The Construction Manager naturally pleaded lack of payment from the Owner and pointed to the "pay if and when paid" clause in its contracts with the Contractors. Meanwhile, those who supplied materials, labor, supplies and equipment to the various Contractors filed claims upon the Contractors' payment bonds and clamored for payment. Absent the Construction Manager occupying the position between the Contractors and the school district, pursuit of the Contractors' contractual remedies directly against the school district would have been a relatively simple matter. With the Construction Manager interposed between the public Owner and the Contractors, the Contractors' pursuit of their remedies was shaping up to be a protracted and very expensive legal battle. Fortunately, the Construction Manager conducted itself in an honorable fashion and facilitated a payment settlement between the parties. While the Contractors agreed to installment payments over time, the settlement avoided the protracted, expensive litigated pursuit of the Contractors' remedies.

Our previous article on this issue explained in detail why we believe under the current statutory scheme that Construction Managers are still required to provide payment bonds. However, without express legislative mandate to do so, governmental Owners and their "straw man" Construction Managers will likely try to get away with it. The foregoing school project example is merely illustrative of the fact that the Public Works Bond Act in its current form does not contain the provisions necessary to fully effectuate the underlying purpose of the Act in view of the trend toward the use of Construction Managers on public works. The proposed bill to amend the Public Works Bond Act cures this deficiency and further levels the playing field in the litigation of payment bond claims. Section 1 (B) of the proposed bill provides: "When the governmental unit elects to enter into a contract with a construction manager, the construction manager shall, at its own expense, furnish to the governmen-

tal unit performance and payment bonds as provided in subsection (A) above. The governmental entity shall fix the amount of the bonds as provided in Sections 2 and 3 based upon the greater of the total estimated cost of the work, guaranteed maximum price, or the actual aggregate dollar value of all agreements entered into by the construction manager for the complete construction, alteration, demolition or repair of the public facility of the governmental entity. The bonds furnished by the construction manager to the governmental unit shall comport with, and be subject

Continues on pg. 58



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MITA Political Action Committee

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"All that is necessary for evil to triumph is for all good men to stand by and do nothing."

- Sir Edmund Burke

This quote is as relevant now as it was when Burke coined it some 100 plus years ago. When it comes to the legislative arena your survival and ability to make a profit is tied directly to your aggressiveness in financing the campaigns of those who understand the difficulties associated with Michigan's heavy/highway construction industry. Contrary to what you may think, through the collective power of MITA you can affect the legislative process.

The primary focus of MITA's legislative agenda will be long-term, adequate and stable funding for Michigan's supporting infrastructure. It is essential that we convince our elected officials that public works are an investment in our future, improves the quality of life and provides real and meaningful job programs and tax stream. The "no new tax" platform and attitude of many politicians must be changed and this change will require a calculated not emotional approach to this issue. Before we get to this mode, we must have the ear of those who control state government. It is your PAC dollars, and yours alone, that will allow MITA to open the necessary doors in Lansing in our mission to convince lawmakers as to the importance of funding infrastructure improvements.

We need your commitment and investment in MITA-PAC today! Those of you who are content with "letting the other guy carry your weight" are only cheating yourself and short changing our industry.

Send your personal check or money order now to MITA PAC and remember that democracy is not a spectator sport.

What is MITA PAC?

The MITA POLITICAL ACTION COMMITTEE is the legislative voice of Michigan's heavy construction industry. MITA PAC is the most effective tool our industry has to support candidates who will fight for contractors in the Michigan legislature. Your financial support of the MITA PAC gives all of us who care about the future of heavy construction and free enterprise a strong influence in the political process.

Why Do We Need a PAC and Why Should I Support It?

The infrastructure and transportation construction industry survives on public funding. Without your support, our level of influence to promote adequate public funding is diminished. We must also fight negative public policy. Our industry is also constantly under attack in the Michigan legislature. Not a day goes by that some legislators in the Michigan House and Senate aren't proposing legislation that would boost our workers' compensation costs, negatively impact our labor force, raise taxes on personal property, increase business liability – the list goes on and on. Our ability to provide jobs and protect our bottom line is profoundly affected by the legislative and regulatory process.

If we do not prevail in the legislative and regulatory process, we will cease to exist in our business as we know it. We will not be able to provide jobs. We may not be in business!

We have full-time lobbyists fighting for us in Lansing and communities around Michigan. We have spent a great deal of time educating the men and women who decide our fate in Lansing. However, term limits have made this task even harder and there are still some lawmakers who may not have a grasp of our issues or the impact that their decisions have on our industry and you. But, the law allows us to band together under MITA PAC. Instead of lobbying elected officials who don't know or

don't care about our ability to provide jobs, our PAC allows us the opportunity to find and fund candidates who believe in us and our employees. The MITA PAC is now one of the top PACs in Michigan. But, only 20 percent of our members provide 100 percent of the funds raised to support candidates who will fight for us – all of us. If the 80 percent of our members who don't participate gave just \$200, we would be an even more potent force for the heavy construction industry.

Do Candidates Really Need Our Help?

Absolutely! Each State House district has 87,000 people in it. Each State Senate district has 250,000, and Michigan has over nine million people. Just as we need to advertise our services, every candidate for office must be able to communicate with tens of thousands of voters. This takes money. Lots of it. Money for brochures, TV ads, radio ads, billboards and other devices. Our PAC can help the candidates we support get their message out and get elected. These are the elected officials who will listen to us and champion our issues.

What Can I Do?

MITA PAC needs your financial support. We are asking every member to step up and contribute. Don't let others carry your load.

Make Your Voice Heard. Support the MITA PAC.

"Those who choose not to be involved in democracy are doomed to be controlled by those who do."

- Abraham Lincoln

MITA PAC Contribution Form

Yes , I will support MITA's effort to elect candidates who will fight for contractors.
Enclosed is my personal contribution of: □ \$10,000 □ \$5,000 □ \$2,500 □ \$1,000 □ \$500 □ \$200 □ \$
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Non-salaried, non-managerial, and union members are prohibited by law from contributing to MITA PAC .

Note: PAC Contributions are not tax deductible.

If you have questions regarding the MITA PAC, please contact Mike Nystrom, MITA vice president of government and public relations at mikenystrom@mi-ita.com or call 517-347-8336.

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MITA would like to express our appreciation to those members who contributed after the printing of this publication.



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Legal Issues Continued from pg. 55

to, the requirements of Sections 2, 3, 4 and 5." With this amendment, and related amendments in the proposed bill, the Construction Manager on a public works project will be required to furnish the same type of payment security required of the Contractors actually constructing the project.

The proposed bill to amend the Public Works Bond Act also provides in Section 7 (B) that "...In any action brought pursuant to subsection (A) above, the prevailing party shall be entitled to recover from the non-prevailing party the reasonable costs and attorney fees incurred in the action. If, in such action, it is determined by the court or jury that there was no good faith basis for the non-payment of the amount sought by the claimant, the claimant shall be entitled to recover interest at the rate of 12% per annum on the amount found to be due by the court or jury from the date such payment was due until fully paid."

The benefits of the proposed amendment are obvious. From the claimant's perspective, whether the claimant is the Contractor pursuing a claim upon a Construction Manager's payment bond or a Subcontractor pursuing a claim upon the Contractor's payment bond, if payment was legitimately due and the claimant was forced to resort to litigation to collect the payment and successfully does so, the claimant may recover the costs incurred to collect the payment and end up reasonably close to net position. If the claim is not valid, the principal on the bond (Construction Manager or Contractor) will be able to recover the costs incurred to defend its legitimate position of refusing payment. The underlying principal of returning a legitimate payment claimant to a position reasonably close to net is similar to the provisions of the Michigan Construction Lien Act⁶ which governs the statutory "payment security" afforded Contractors of all tiers and their suppliers on private construction projects.

Here's Another Finger in the Dike

In the meantime, until this amendment is enacted, MITA members must pro-



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tect themselves accordingly. We recommend that MITA members write a letter to the Owners of these Consulting Engineer/Construction Manager projects, requesting the Owner provide certified copies of the payment bonds furnished by the Construction Manager to the Owner. If the Owner provides a certified copy of a payment bond, then the Members are protected from nonpayment at least to some degree. Nevertheless, the Member's letter should further state that in the absence of a payment bond, the MITA member expects the Owner to pay for the services performed and materials provided in the event that the Construction Manager defaults on its payment obligations to them. The letter should state that it was entirely reasonable for the Member to assume that the Owner, in executing the construction contract, would follow the law and require the Construction Manager to provide a bond. However, if the Owner chose not to require the bond, and allowed the Construction Manager to continue with the contract, the letter should warn the Owner that it assumed the risk that it will become liable for the cost of the services and materials should the Construction Manager fail to pay. The recommended letter places the Contractor in a position to later argue that it was relying upon the Owner's implied promise of payment as a basis for proceeding with the work.

The Retainage Act

The Construction Manager on public works scenario has a similar and equally negative impact on the protections afforded Contractors under the Retainage Act. As in the DSC Act, the applicability of the Retainage Act is tied to the definition of "contract" in that Act. In the Retainage Act, a definition of "contract" similar to that in the DSC Act appears in Section 1: "Construction Contract" or "contract" means a written agreement between a contractor and a public agency for the construction, alteration, demolition, or repair of a facility, other than a contract having a dollar value of less than \$30,000.00 or a contract that provides for 3 or fewer payments." Is the concern too speculative --- another exercise in jumping at shadows? As before,

MITA members have reported on more than one occasion, where a municipal Owner has interposed a Construction Manager between the municipal Owner and the Contractor on a public works project, of being brusquely advised that the Retainage Act did not afford the Contractor any protection because the member's contract was with the private Construction Manager and not with the governmental agency, and that neither the Construction Manager nor the municipal owner had any intention of complying with the provisions of the Act. Such blatant circumvention of the intent and requirements of the Retainage Act is addressed in the proposed bill to amend the Retainage Act. Section 1 re-defines "contract" as follows: "Construction Contract" or "contract" means a written agreement between a contractor and a public agency or between a contractor and a construction manager acting for or on behalf of a public agency for the construction, alteration, demolition, or repair of a facility, other than a contract having a dollar value of less than \$30,000.00 or a contract that provides for 3 or fewer payments." The circumvention of the intent and requirements of the Retainage Act via the use of Construction Managers on public works contracts will be precluded by the proposed bill.

There's more. Much like when the mechanic you hired to fix one problem in your vehicle slides out from under the vehicle and asks "While I'm under here do you want me to also fix your worn out...", the pending proposal to amend the Retainage Act provided the impetus to further enhance the payment protections for Contractors. For that purpose, the proposed bill: a) specifies more stringent requirements for the timely processing of progress payments and imposes strict requirements upon Construction Managers to timely process Contractors' payment requests to the public agency; b) identifies a specific interest rate assessable on tardy payments; and, c) precludes a recent practice of some municipal Owners and their consultants to arbitrarily increase the amount of retainage on a contract by requiring additional security for completion of the work beyond the retainage security specified in the Act.

Continues on pg. 61



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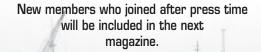
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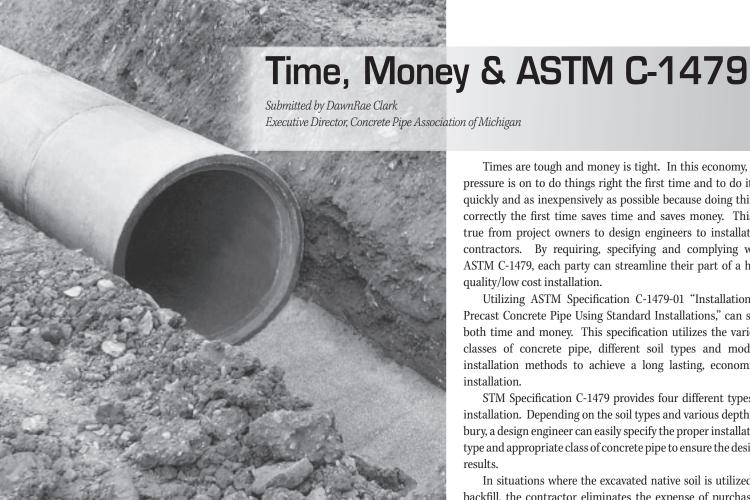
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Times are tough and money is tight. In this economy, the pressure is on to do things right the first time and to do it as quickly and as inexpensively as possible because doing things correctly the first time saves time and saves money. This is true from project owners to design engineers to installation contractors. By requiring, specifying and complying with ASTM C-1479, each party can streamline their part of a high quality/low cost installation.

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STM Specification C-1479 provides four different types of installation. Depending on the soil types and various depths of bury, a design engineer can easily specify the proper installation type and appropriate class of concrete pipe to ensure the desired results.

In situations where the excavated native soil is utilized as backfill, the contractor eliminates the expense of purchasing select backfill materials and the cost of disposing of the spoil. In

most cases, because of concrete pipe's inherent strength, the native soil backfill will only need to be compacted to the springline of the pipe.

There are also many installation situations where backfill compaction will be totally eliminated and unnecessary for concrete pipe.

ASTM 1479 also provides important installation requirements for the contractor.

- ➤ Bell holes for each pipe must be provided in the trench. This assures that the pipe is equally supported throughout its length instead of just at the bell.
- ➤ Pipe is to be set at the proper grade and the excavator bucket is not to be used to push the pipe down to grade. For many years contractors have used excavator buckets to push pipe to grade and claim that this practice will not cause any damage, but it does.

ASTM 1479 expressly prohibits "Making adjustments in grade by exerting force on the barrel of the pipe with excavating equipment and dropping the pipe, or by lifting the pipe and packing the bedding material under it shall be prohibited."

The above requirements are designed to protect everyone's investments of time, materials and labor and to provide a product that will last well beyond the pipe's design life.

In summary, when owners or design engineers specify ASTM C-1479 and the contractor complies with all parts of the specification, the results are a pipe(line) that is laid in an economical and efficient manner and a product installation that will last.

For a copy of the ASTM Specification C-1479, contact DawnRae Clark at director@concretepipe-mi.org or call 517-393-1761.

Legal Issues Continued from pg. 58

In addition to these amendments, the proposed bill provides sanctions for a public agency's refusal to comply with the provisions of the Retainage Act. Hard as it may be to accept, some public agencies, when advised that the Retainage Act required the deposit of retainage funds in an interest bearing account and for the interest earned to be paid to the Contractor upon release of retention, responded with "We don't do that and will not do that." The proposed bill at Section 6 provides: "Upon the failure or refusal of a public agency to comply with the provisions of Sections 3(3) and 3(4), the contractor shall be entitled to recover interest on the retained funds at the rate of two times the rate payable on money judgments..." and, "... In any proceeding to enforce the provisions of this Subsection (6) a prevailing contractor shall be entitled to recover the sum of \$500.00 or the reasonable actual amount of costs and attorney fees incurred in such proceeding, whichever is the greater." While those agencies refusing to comply with the requirements of the Act are few, the proposed amendment will provide sufficient incentive for all agencies to comply with the requirements of the Act. For the majority of public agencies who already comply with the provisions of the Act, the proposed amendment is a non-issue.

Finally, the proposed bill provides for the payment to Subcontractors of their pro rata share of the interest earned on retainage and paid to the principal Contractor. This amendment affords every Contractor involved in the construction of the public works project its pro rata share of the interest benefit conferred by the Retainage Act.

Here's Yet Another Finger in the Dike

We encourage Contractors to negotiate a clause that requires Construction Managers to pay interest on any retained funds. Moreover, neither the Owner nor the

Construction Manager should expect infrastructure contractors to finance a project for an extended period once their work is completed. If working on a school project or other public works projects where infrastructure is the first work completed on a lengthy development, negotiate a clause that requires early release of retained funds upon 100% completion of the infrastructure portion of the project.

The Building Contract Fund Act

While dealing with the potential effects of the Construction Manager phenomena provided the initial impetus for MITA legislative initiative, the project focus evolved to concentrate on further strengthening the construction industry's right to be timely paid for work satisfactorily performed. The amendments discussed earlier all involve measures to facilitate and to protect the right to receive timely payment for work performed on public works projects by removing the potential impediments to timely payment created by the use of Construction Managers on public works projects . The legislative initiative built on that initial momentum to move on to addressing inadequacies in another relevant existing statute.

Also known as the Builder's Trust Fund Act, this Act has been in effect in Michigan for over 70 years. However, this Act, by its express terms has never applied to public works projects. In general, the Act imposes a trust on funds paid for work performed on a construction contract in favor of those furnishing labor, supplies, materials, or equipment for the construction of the project to the party receiving the payment. Under the Act, the party receiving payment for the construction, regardless of whether the party is the Contractor, a Subcontractor or lower-tier Subcontractor, is deemed a trustee of the funds for the benefit of those engaged by him to furnish labor, materials or equipment for the construction of the improvement. As a trustee of the funds, the party receiving the payment may not appropriate the funds to any Continues on pq. 63

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Iron & Steel Scrap up 93 Percent:

A Key Factor Driving Increased Highway Construction Material Prices

Prices for iron and steel components were up a whopping 93 percent in May. Higher steel and metal prices were one of the driving forces in pushing overall highway and street construction materials 15 percent higher compared to the same month in 2007.

That's the key finding in a June 30 American Road & Transportation Builders Association (ARTBA) economics report, which is available in the "Economics and Research" section of www. artba.org. During the same time period, inflation – as measured by the Consumer Price Index – was 4.2 percent. Overall, ARTBA has tracked a 48 percent increase in combined material costs from 2003 through the end of 2007.

The ARTBA "Highway Construction Producer Prices" report outlines year-over-year increases in the following categories:

- ➤ Iron and steel scrap: 93.3 percent
- ➤ Asphalt paving and block manufacturing: 8.4 percent
- ➤ Sand, gravel and crushed stone: 6.7 percent
- ➤ Ready-mix concrete: 2.4 percent
- ➤ Concrete block and brick: 2 percent
- ➤ Cement: .8 percent

An ARTBA economist said the trend of material costs outpacing inflation has sharply increased

the cost of doing business in the transportation construction industry. In addition, she noted that global competition for limited resources dramatically impacts the cost of some materials - particularly iron and steel - used in U.S. projects.

"About 12 percent of the steel used in the United States is acquired from a volatile worldwide market," said Alison Premo Black, ARTBA vice president of policy. When demand increases in growing nations like China and India, costs rise for U.S. contractors who must compete in the global marketplace to secure steel inputs. Higher prices for other key raw materials, such as sand, gravel and crushed stone, are impacted by a number of domestic factors, including environmental challenges, geographic distribution and quality requirements."



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Vice President of Government & **Public Relations Comment**

Continued from pg. 22

quately fund our underground infrastructure here in Michigan. That way people will have a choice to either help support that infrastructure that goes unseen on a regular basis or not use toilet paper at all... comical or logical??

Nevertheless, the challenges of public awareness and public education regarding our underground infrastructure will continue far into the future. MITA stands ready and will promote the need for increased funding for sewers and waterlines at every opportunity.

If you have any questions or comments, please contact Mike Nystrom either by e-mail at mikenystrom@mi-ita.com or call the MITA office at 517-347-8336.

Legal Issues Continued from pg. 61

purpose until his subcontractors and suppliers for the project have been paid. Misappropriation or fraudulent detention of the funds is prohibited by the Act and may give rise to civil and criminal liability.

The Act has been interpreted by Michigan's courts to allow a claimant to "pierce the corporate veil" of a Contractor or Subcontractor misappropriating contract funds in violation of the Act and pursue the individual principals or officers of the Contractor or Subcontractor who authorized, caused or permitted the misappropriation of the funds with the intent to defraud those entitled to payment. Because the contract funds are deemed to be trust funds held for the benefit of those engaged by the Contractor or Subcontractor receiving the payment, the courts have held that liability for misappropriated funds cannot be avoided by a bankruptcy petition since the contract trust funds never actually belonged to the bankrupt debtor and did not become part of the bankrupt debtor's estate.

A bill in the MITA legislative initiative package proposes amending the Act to make the Act applicable to public works in Michigan. Additionally, the Act specifically includes Construction Managers as an entity receiving building contract funds in the payment stream on a construction project and who will be held liable as a trustee of those funds for the benefit of those engaged by it to furnish labor, equipment or materials to the construction of the public work project.

The proposed amendments to the Act go on to codify the interpretation of the Act by Michigan courts by expressly providing for a civil cause of action against the violating party and its individual officers and representatives by those damaged by a violation of the Act. The proposed amendments to the Act conclude with providing that the prevailing party in any litigation involving a claimed violation of the Act shall be entitled to recover, in addition to their actual damages, the lump sum of \$500.00 or the reasonable actual amount of their costs and attorney fees incurred in the action, whichever is greater.

The amended Act will provide benefits to all of the contracting parties typically involved in the flow of good, services and payments on public works projects. For prime Contractors who responsibly pay their Subcontractors and suppliers with funds received from the Owner or who withhold those payments only for legitimate and contractually justified reasons, the application of the Act to public works projects will present no concern. Conversely, Subcontractors will have powerful additional statutory avenues to collect payment from those who do not conduct business in that fashion.

For prime Contractors and perhaps higher-tier Subcontractors who may face payment bond claims from a Subcontractor's lower-tier Subcontractors or suppliers after the Subcontractor has been fully paid, the prime Contractor will be possessed of additional, powerful legal remedies against the defalcating Subcontractor not currently available under Michigan law, including the ability to avoid the effects of bankruptcy of the Subcontractor and the ability to pursue individual liability of the Subcontractors' principals and representatives who fraudulently misappropriate contract funds. Note also that Construction Managers will be added to the list of trustees holding contract trust funds. Consequently, Contractors performing work on public works projects under contracts with a Construction Manager will be possessed of the same range of legal remedies provided under the proposed amendments to the Act.

The net effect of amending the Act and providing for its application to public works projects in Michigan should be to encourage and enforce timely payment for work performed on these projects.

Meanwhile, Plug the Hole in the Dike

Prime Contractors can obtain the same protections on public works projects currently afforded by the Builders Trust Fund Act through an appropriately drafted subcontract clause that requires a subcontractor and its officers to treat progress and final payments as trust funds for the benefit of second-tier subcontractors, suppliers and laborers. Further require subcontractors to open its books regarding the project, and take advantage of that opportunity by auditing where it applied the payments. Continues on pg. 64

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Legal Issues Continued from pg. 63

Lastly, the subcontract should state that the subcontractor bears the burden, as the trustee, to prove where it applied progress payments. The subcontractor should also be required to provide Prime Contractors up front with a Master Sworn Statement indicating with whom it intends to subcontract and to purchase materials. The subcontract should require the subcontractor to provide a current sworn statement and waivers from second-tier subcontractors and suppliers as condition precedents to receipt of payment. Prior to releasing payments to the subcontractor, the Prime Contractor should compare the sworn statement and waivers against the Master Sworn Statement and resolve any inconsistencies.

Conclusion

The four bills comprising MITA's current legislative initiative all focus upon issues which have been or are becoming problematic in the administration of the payment process on public works projects in Michigan. The issues vary as do the nature of the problems addressed. Common to all however is a negative impact on the rights of Contractor to receive and retain payment received for work performed on public works projects. The proposed bills meet these issues head on and provide fair and workable legislative solutions that will inure to the benefit of all involved in the construction of public works Michigan.

Until passage of this legislation, however, we encourage Members to employ the interim protections outlined in this article. Obviously, Members' negotiating skills and comparative bargaining strength will affect whether and to what extent they obtain the interim protections we discussed. Once the statutes are passed, the pernicious practices we discussed will be gone and the playing field leveled or the leaking dike plugged.

- 1 PA 57 of 1998; MCL 125.1591, et seq.
- 2 PA 213 of 1963; MCL 129.201, et seq. This act applies to almost all public works contracts but does not apply to contracts with the Michigan Department of Transportation.
- 3 PA 524 of 1980; MCL 125.1561, et seq.
- 4 See 2003 Michigan Department of Transportation Standard Specifications for Construction, 103.02 (C). Similar provisions date back to at least 1973 as reflected in the 1973 edition of the MDOT Standard Specifications for Highway Construction at 1.04.03 (c).
- 5 MCL 125 1592
- 6 MCL 570.1101, et seq.

Vice President of Membership Services Comment Continued from pg. 23

ing which is conducted by one of many administrative law judges employed by the state. The case is turned over to the attorney general's office, which then handles the case on behalf of MIOSHA. Most of the major haggling takes place the week prior to the hearing. If a settlement cannot be reached, the case goes to trial.

While many files contain similar citations with identical rule numbers and exposures, once the file is peeled back the landscape often changes. Some days we go in and eat a big slice of humble pie; and, other days are meant for taking no prisoners. Regardless of the outcome members will always be informed of the results, because the ultimate reason for appealing a citation is learning from it. By simply accepting an ISA or paying a fine your organization will learn nothing. By involving the field, adjusting work practices and understanding what an uncomfortable process an appeal is can be a true learning experience for everyone involved.

> To contact Rob Coppersmith, e-mail him at robcoppersmith@mi-ita.com or call the MITA office at 517-347-8336.

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Construction Best Management Practices (BMPs): Soil Erosion and Sedimentation Control Devices

Contributed by: The MDOT Storm Water Management Program and its consultant, Tetra Tech

Preventing soil erosion and sedimentation during construction projects is an ongoing challenge for contractors, designers and inspectors. The task of keeping soil in place and out of water bodies, drains and drainage structures begins in the design phase of a project and follows the job through construction to completion. An effective soil erosion control plan addresses both erosion prevention and sediment control.

To minimize soil erosion, the smallest practical area of ground should be disturbed for the shortest period of time. Generally, undisturbed vegetated sites have a low potential for erosion. The longer the vegetation is left undisturbed and the sooner it is restored after work in the area is complete, the less problem erosion will be. It is also less expensive to prevent erosion than it is to manage sedimentation caused by erosion. The following products, when installed and maintained properly, will effectively minimize erosion and control sedimentation.

Stabilizing Slopes

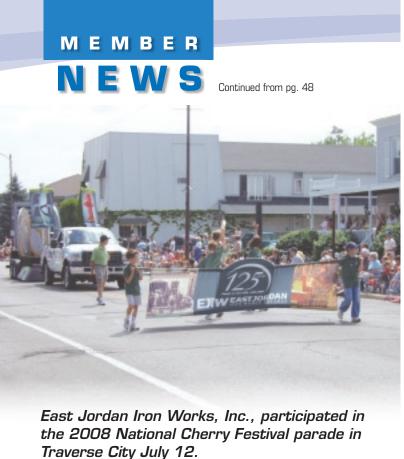
Bare earth, especially on a sloped surface, is an invitation for erosion. Fortunately, there are cost-effective ways to quickly cover disturbed ground and minimize erosion.

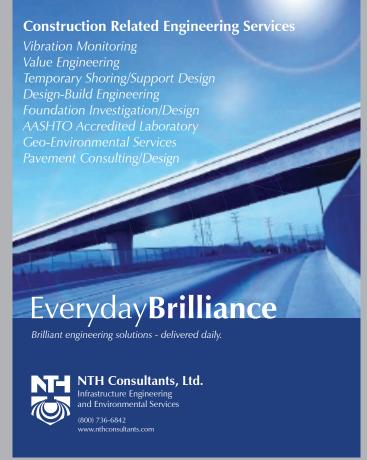
Erosion Control Blankets (Mulch Blankets) are made of a variety of different materials and can be an effective way to shield soil from possible erosion caused by wind and rain and provide a stable platform for the reestablishment of vegetation. Although these blankets may be used on a range of slopes, they are not meant to withstand scouring in drainage ways. The blankets are constructed of a UV-stabilized polypropylene netting for permanent applications and a degradable organic matrix

stitched to a degradable polypropylene netting for temporary applications. The organic matrix is typically comprised of coconut fiber, straw or excelsior wood fibers.

The application of an anionic polyacrylamide (PAM) to erosion-prone surfaces alone or in concert with an erosion control blanket is another Continued from pg. 68







Did You Know?

MITA Offers Access to Equipment Blue Book Rates

One of MITA's most utilized membership services is equipment blue book rate access, which is available to members free of charge. This detailed rate information is intended as a guide for determining what appropriate recovery costs (equipment-related ownership and operation) can be charged.

To get equipment blue book rates:

- Open a web browser and navigate to the MITA website at www.mi-ita.com.
- Locate and click on the labeled home link (Blue Book Rate Request Form) to download the blank PDF form. The link can be found on the right side of the MITA homepage.
- Print out and complete the form for each piece of equipment you are requesting rates for and fax them to the MITA office at 517-347-8344.

Please remember the following:

- Year is required on every equipment rate request submitted. The system used to retrieve rates cannot calculate rates without this piece of information. If it is an older piece of equipment, chances are that the year may not come up as an option. Under this circumstance, you will get rates based on the year-option close to what was submitted.
 - Equipment type and/or model number is key.
- Detail, detail! Many times there are multiple configurations for the same piece of equipment and those small details become important. Include as much detail as you can to ensure that you will receive the correct rate information in a





- Here are some common pieces of information that are often needed:
 - Type of equipment? (Be exact.)
 - · Year?
 - · Who is the manufacturer?
 - What is the axle configuration?
 - · How many tires (and/or axles)?
 - Bucket capacity?
 - · What is the power mode (gas or diesel)?
 - EROPS or ROPS?
 - · What is the equipment weight class?
 - Fixed or extendable?
 - · What is the equipment horsepower?
 - Any special attachments?

MITA is committed to providing members with accurate information in a timely manner. Be sure to browse the MITA website at www.mi-ita.com for more helpful "Did You Know" member guides.



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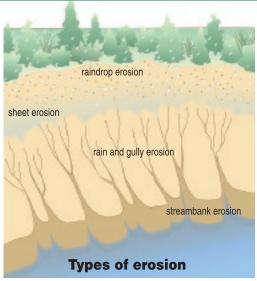
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Construction Best Management Practices (BMPs): Soil Erosion and Sedimentation Control Devices

Continued from pg. 65

way to reduce soil loss from a construction site. polymer is more effective in reducing erosion when applied wet (Peterson et al., 2001) with a hydroseeding machine than dry in a granular form and functions to bind seed, fertilizer, mulch, and soil particles together until germination.

When properly applied, PAMs are not harmful to plants or animals. There are no restrictions in Michigan on the use of anionic PAM for erosion control as long as



they are not applied to surface water bodies. The breakdown constituents of anionic PAMs are CO2, water and ammonia. Since PAMs increase fine particle flocculation, it is most effective when used on soils containing fine particles (silt or clay soils). PAMs are not effective when applied to pure sand or gravel due to larger particle sizes.

Natural or synthetic fibers that have been manufactured with a tackifier may also be used to stabilize soil. These mulching materials are inexpensive to purchase, are typically applied using a hydroseeding machine, and are particularly useful in covering uneven surfaces. The applied mixture resists soil erosion and helps promote the establishment of vegetation. Mulching materials should not be used in concentrated flow channels unless used in conjunction with appropriate erosion control blankets. This soil stabilization method may be inappropriate for certain slopes so manufacturer's recommendations should always be consulted. Rapidly moving water will quickly erode soil from a disturbed

Reduce Flow Velocity (Runoff Control)

construction site. Slowing down the runoff reduces erosion potential and promotes deposition of sediment before it reaches a water body. On sites where channelized or rill erosion is a problem, several different Best Management Practices(BMPs) can be used

to mitigate erosion.

A check dam can be installed in a ditch to slow the flow of water. Check dams can be constructed of stone, and are often used in conjunction with a sediment trap to collect soil that is deposited as a result of reducing water velocity. A series of check dams can be installed along a swale or drainage channel.

Scouring due to concentrated flows can cause gully erosion. Gullies are sharp-sided entrenched channels from which eroded soil can overwhelm downstream BMPs such as silt fence. To reduce the potential for gully formation, an energy dissipater such as strategically placed riprap or a vegetative buffer can be used.

To prevent sediment from being transported via sheet flow down a steep slope, terracing or benching the slope is an effective alternative. Terracing captures sediment at each bench and keeps it from being transported all the way down the slope. Alternatively, surface roughening or scarification created with bulldozer treads or disc harrowing perpendicular to the slope can be used to retain seed and mulch in the grooves and reduce runoff velocities.

Continues on pg. 75





either find a way to increase funding so we can fix our crumbling infrastructure, or we wait until something tragic happens - like Minnesota - and scramble to pick up the pieces."

Press Statement from Mike Nystrom Volkswagen Chooses Chattanooga Due to Infrastructure: Michigan Loses 2,000 Jobs July 15, 2008

"We are disappointed to hear about Volkswagen's decision today not to locate in Michigan. It is disheartening to see our state once again lose out on jobs and economic development because of our inadequate infrastructure.

"State policymakers have stood by and done nothing while the state's road funding system has collapsed and our infrastructure crumbles. Time and time again, economic studies have concluded that infrastructure investment is critical to economic development. The Volkswagen announcement today is just one more example of how Michigan is losing jobs because of inaction from our elected leaders.

"Today's announcement should serve as a wake-up call to state policymakers. It's time to act."

Business, Labor, and Transportation Groups Urge Presidential Candidates to Make Transportation A Priority: MITA Joins National Campaign to Fight for Investment in Transportation June 24, 2008

LANSING — A broad national coalition of business, labor, and transportation

groups - including the Michigan Infrastructure and Transportation Association (MITA) - are challenging presidential and congressional candidates to make investments in highways, bridges, and public transportation a priority for their campaigns and for the nation's future.

The call to action on the state of the nation's transportation infrastructure was issued as part of the official launch of the Americans for Transportation Mobility Coalition's FasterBetterSafer Campaign, which was announced yesterday at the National Press Club by U.S. Chamber of Commerce President and CEO Tom Donohue. Laborers International Union of North American President Terrence O'Sullivan and American Road & Transportation Builders Association President Pete Ruane.

FasterBetterSafer intends to demonstrate that an aging and overburdened transportation system imposes enormous costs on Americans' safety and quality of life, the environment and the economy.

"Nationally, we have a transportation network that is literally crumbling underneath us," said Mike Nystrom, vice president of government and public relations for the Michigan Infrastructure and Transportation Association and the local spokesperson for the FasterBetterSafer Campaign. "The lack of funding is making our roads and bridges increasingly unsafe. Michigan is no exception. By continuing to ignore basic maintenance and repairs, the state is burdening Michigan taxpayers with additional costs of \$3 billion a year."

Michigan has an annual funding shortfall of \$700 million for its state transportation system and a shortfall of more than \$2 billion for local roads. This funding pothole is due to massive cuts to the state's road and bridge program because of declining gas tax revenues. This year alone the state's road and bridge program dropped by \$300 million, or 18 percent. As gas prices rise, consumers buy less gas, which results in less gas tax revenue for the state.

Continues on pg. 71

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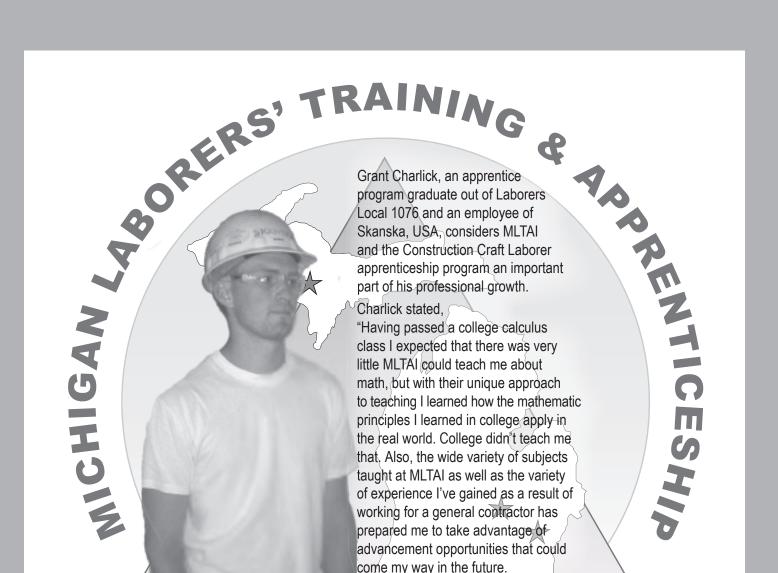
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MLTAI and the Construction Craft Laborers apprenticeship program produce Laborers skilled in their field, dedicated and trained. When Grant was asked what it takes to be a successful Laborer he said, "You have to show up every day in the right state of mind, with a proper attitude and be dependable, punctual and trustworthy. You have to bring your "A" game every day".

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MITA Press Releases

Continued from pg. 30

About the FasterBetterSafer Campaign: The FasterBetterSafer Campaign is a nationwide effort by business, labor, and transportation organizations and concerned citizens to advocate for increased federal investment in the nation's aging and overburdened transportation system.

For more information about the Faster Better SaferCampaign, please visit www.fasterbettersafer.org.

Tax Breaks for Ethanol Industry **Creates Potholes on MI Roads** May 15, 2008

LANSING - Legislators anxious to give tax breaks to the ethanol industry are robbing money critical for Michigan's road repair in order to do so.

"Legislators are robbing Peter to pay Paul," said Mike Nystrom, vice president of government and public relations for the Michigan Infrastructure and Transportation Association. "After just suffering the worst pothole season in Michigan history, legislators are once again showing their lack of commitment to fix our roads by handing over millions of dollars of road money to the ethanol industry. All the legislators we've met with talk a good game about how they want to see Michigan roads improved, and then at the same time they only make it worse."

Two years ago, the Legislature passed a law that gave ethanol tax breaks. However, the law stipulated that any lost road dollars would be reimbursed from the state's general fund or the tax break would lapse. Last year, the Legislature did not appropriate the reimbursement so the ethanol incentive program ended.

Now, legislators are seeking more ethanol tax breaks, having already broken their promise to reimburse the lost road money. Even worse, the new legislation, Senate Bills 1158-59, removes any requirement to reimburse the money to the state's transportation fund. The bills are being considered in the Senate Agriculture Committee today.

"It's ironic that legislators are choosing to give precious road dollars to an industry that is already booming, while putting another nail in the coffin to our deteriorating infrastructure struggling to survive," Nystrom said. MDOT suffered a \$300 million (18-percent) cut this year in the state's road and bridge program due to declining gas tax and bond revenues.

"Drivers need to call their legislators and tell them it's time to fix our roads," Nystrom said.

MITA in the News Continued from pg. 31

construction industry trade group. "But it's sad a tragedy like that hasn't been recognized as a call to action by state and federal officials."

The Associated Press reviewed the status of the most heavily traveled, structurally deficient bridges in each state in the aftermath of the Minnesota bridge collapse. Of the 22 bridges reviewed in Michigan, two were fixed and three others were partially fixed. There are plans to work on 18 of the 20 bridges where the structural deficiency hadn't been completely addressed. All of the bridges included in the survey were in or near southeast Michigan, located in Genesee, Monroe, Oakland or Wayne counties...



Bridges still safe to drive on, but need repairs

ABC 12 Television • Thursday, July 31, 2008

A new report shows that state bridges are in bad shape, and the worst are in Saginaw County. In fact, 49 of the 97 state bridges in Saginaw County are considered structurally deficient. Structurally deficient means those bridges need some repair work.

But it doesn't mean they aren't safe to drive on.

The report detailing problems with our state bridges came out just before the one-year anniversary of the 35-W bridge collapse in Minnesota that killed 13 people last year.

Continues on pg. 73

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UNEARTHING POSSIBILITIES

A 2008 Calendar

For details on any event, contact Danielle Coppersmith, events coordinator, daniellecoppersmith@mi-ita.com or visit the events section of www.mi-ita.com.

OCTOBER

MITA Board Meeting Hunter's Ridge Hunt Club, 9 a.m.

DECEMBER

- MITA Holiday Party 10 Grand Rapids, McFadden's
- MITA Board Meeting 12 MITA Office
- MITA Holiday Party 12 MITA Office
- MITA Holiday Party 19 Detroit, Sheraton Detroit-Novi

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MITA in the News Continued from pg. 71

The group that released the report is the Michigan Infrastructure and Transportation Association. It represents road and bridge builders...

Bumpy future ahead for road funding

Livingston Daily Press • August 4, 2008

A report that states the costs of Michigan's basic road and bridge needs have doubled to \$6.1 billion per year is especially bad news for Livingston County, which receives the least road funding per capita in the state, officials said.

Making matters worse, the state is expected to lose \$4.5 billion in federal road funding between 2010 and 2015, according to a report of the Highway, Road and Bridge Subcommittee of the Citizens Advisory Committee, which reports to the state's appointed Transportation Funding Task Force.

The report was delivered in late July.

The task force is expected to issue a preliminary report with funding alternatives to the 19 cents-per-gallon gas tax — a mechanism road officials said is proving unreliable as a source of road money — on Oct. 31. A final report is due April 1.

The most recent study's findings are hardly news to Livingston County, which already struggles to keep road dollars coming in, said county Road Commission Mana-ging Director Mike Craine.

A big factor is that Livingston County is considered a "donor county," which means its residents contribute more in transportation taxes than the amount of those taxes spent within the county.

The Road Commission has gone as far as to look into returning low-volume paved roads rated "poor" to gravel to keep them safe for motorists if funding sources dry up.

"We are at rock bottom of the state that's approaching rock bottom," Craine said.

"We've been paying the freight for everybody else for a long time," he added.

Making matters worse, the county often must turn its back on federal funding it's eligible for because it can't make put up matching funds, said Keith Ledbetter, director of legislative affairs for the Okemos-based Michigan Infrastructure & Transportation Association.

"They're already losing dollars they're eligible for. You're already facing that crunch," Ledbetter said of Livingston County.

"We are digging ourselves into a hole we may never be able to dig ourselves out of unless we get going right now," he added...

Funds fall short for miles of mid-Michigan road work

Lansing State Journal • June 25, 2008

By the road commission's count, about 160 miles of pavement in Eaton County is due for asphalt resurfacing to repair cracks, crumbling and potholes.

But because of an increase in the cost of materials and a decline in revenues, largely because drivers are cutting back on trips, saving gas and thus paying less in gas taxes, only about three and a half miles will be resurfaced by the road

"We're doing very little asphalt resurfacing this year," said Blair Ballou, engineer-manager of the road commission. "We've got many miles that need it, but not enough money to do it all."

Though the orange barrels are out in force again this summer, transportation officials throughout mid-Michigan said there aren't nearly as many as there should

be or have been in years past.

Much of that problem, officials said, comes down to inadequate funding.

"Certainly we would like to do more if we had more money," agreed Chad Gamble, public service director for the city of Lansing. "We're at a very challenging time with regards to the maintenance of our roads."

The state's road and bridge-fixing budget dropped by 18 percent from \$1.2 billion in 2006-07 to \$900 million in 2007-08. And revenues from the state's 19-centper-gallon gas tax are off, Ballou said, by about 4 percent from five years ago.

"People aren't driving as much as they used to," said James Charles, interim director of operations for the Ingham County Road Commission. "It doesn't matter how much a gallon of gas is; we only get 19 cents."

The problem is exacerbated by the rising cost of materials, officials said.

"It's just a complete game-changer," Ballou said.

Asphalt costs about \$20 a ton in 2003 and \$45 a ton last year. Ingham County Road Commission officials said they're now buying it for \$70 a ton.

"We are literally on a collision course with disaster," said Mike Nystrom, vice president of government and public relations for the Michigan Infrastructure and Transportation Association. "We've got a system that is falling apart and deteriorating as we speak."

To combat the problem, Nystrom, Ballou, Charles and Gamble back a ninecent increase over three years in the state's 19-cent-per-gallon gas tax. Each cent increase in the existing tax would raise an estimated \$50 million for road repairs...

John Schneider Column

Lansing State Journal June 21, 2008

What's rarer these days than a street with a striped barrel?

An expression of gratitude toward road-construction crews.

Nancy Brown, of the Michigan Infrastructure and Transportation Association, recently e-mailed me a photo, along with this note:

"Road workers don't usually get much public praise, so we thought it was cool that someone put this sign up outside the Collins Road post office.

"C&D Hughes Inc., of Charlotte, recently reconstructed the road. They finished the job well in advance of an August 2008 completion date. We're not sure who put the sign up - maybe postal workers."



MITA in the News Continued from pg. 73

Michigan Roads Getting Worse

WLNS TV 6 Lansing • June 16, 2008

It's a bumpy ride on Michigan's roads and it could get worse. That might not surprise anyone who's driven anywhere lately, but a new state report confirms those suspicions. It says the number of Michigan roads in poor condition has nearly doubled since 2004. The number of roads in good or fair condition has fallen by about 10%. The longer we wait to fix those roads, the more expensive it will get. If you thought Michigan's roads were rough and rugged now, just wait. A new state report predicts nearly 45% of the states' paved roads will be in poor condition by 2018.

Bill Shreck, MDOT: "They're finding we have less resources to take care of more and more roads."

Bill Conklin: "We in the road business feel like this is quite urgent."

Bill Conklin heads the Ingham County Road Commission. He says it all comes down to dollars and cents. The road money raised by the state and federal gas tax is going down as gas prices go up and drivers cut back.

Bill Conklin: "Our revenue is tied to the gallon and not the price of gas."

At the same time, road commissions pay those skyrocketing fuel prices, \$2 a gallon last year, almost \$4 now. That's not all, the cost of raw materials needed to patch up roads, like asphalt, has gone up more than 50% in just the past four years.

Bill Conklin: "Costs continue to chip away at our purchasing power."

Conklin says the lack of funding means many roads won't get fixed, and the longer they wait, the worse the roads get, and the more it'll cost to fix in the long run.

> Bill Conklin: "Because you have to totally dig is out and start from scratch."

> He says that means we can either pay now or pay a lot more down the road. Groups like the Michigan infrastructure and transportation association say they've been sounding the alarm about the lack of road funding for years. They say it's time to get creative and look for new ways to bring in more road funding, like increasing driver registration fees or the gas

> Mike Nystrom, MI Infrastructure & Transportation Association:: "We've been calling on the Legislature to make this a priority. It has to become a priority, it hurts us economically, public safety, it impacts everyone across the state."

> The governor has put together a task force to look at ways to better fund transportation. They'll have their preliminary findings in November.

Detroit Ranks Second For Worst Commute

WDIV TV • May 02, 2008

The town known as the motor city has been ranked among the worst for getting around.

According to Forbes.com, Detroit is the country's secondworst city for commuters.

The Forbes report noted that despite a steady decline in population, the length of the commute continues to rise.

It is estimated by Forbes that the average Detroit driver is delayed 54 hours a year.

What makes matters worse, according to the study, is that only 11 percent of the Detroit commuting population walks, carpools or uses public transit - the worst in any big city in America.

"Traffic and congestion are only going to get worse as our policymakers continue to under-fund our roads and infrastructure," said Mike Nystrom, vice president of government and public relations for the Michigan Infrastructure& Transportation Association.

Forbes.com looked at the 75 largest metro areas in the U.S. The rankings were based on traffic delays, travel times and how efficiently commuters use existing infrastructure...



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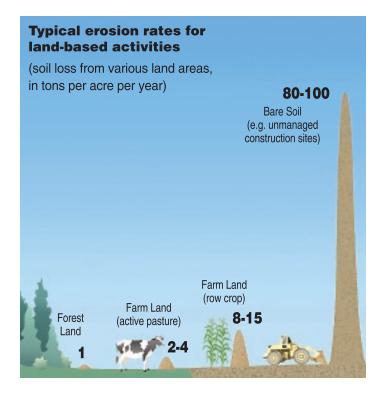
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The Hishman Circup, 2008

Soil on the Move (Sediment Control)

Measures must be taken to ensure that eroded soil does not leave the construction site or migrate into surface water bodies. Sediment originating from soil erosion due to human activities is the largest pollutant by volume to enter our nation's waterways and is a principle cause of aquatic habitat and water quality degradation (Waters, 1995). In some instances, erosion cannot be avoided and physical structures must be put into place to prevent the entry of sediment into the water.



Silt fence is the most familiar sediment control BMP used on construction sites. A properly installed and maintained silt fence will effectively prevent eroded soil from leaving the construction site. In order to do its job, silt fence must be trenched or "sliced" into place and care must be taken to properly place and stake the fencing. Deposited sediment should be removed when it reaches either 1/2 the height of the fence or when the fence fabric becomes clogged. Silt fence is primarily effective on sheet



flow and should not be installed perpendicular to concentrated flow in swales, channels or ditches.

Fiber logs (also known as straw waddles or fiber rolls) are another useful tool to control sedimentation. Fiber logs are tubes made of synthetic or natural netting filled with straw or coconut fiber trenched and staked in along the contour of a slope or at the perimeter of a construction site. Similar to silt fence, fiber logs help to prevent erosion by slowing and spreading flow and filtering out sediment. In areas of uneven terrain and steep slopes, fiber logs are especially useful as they can fit to the terrain better than silt fence. When installed parallel to each other and perpendicular to flow, fiber logs are effective in

reducing velocity and filtering out sediment.

In heavy traffic areas on construction sites, a gravel access approach made of open-graded coarse aggregate, such as 3x1 or courser, laid over geotextile is used to minimize tracking of materials onto public streets and highways.

Existing storm drains found within or near construction sites require inlet protection during earth disturbing construction activities. These include silt fence around an inlet in an unpaved area, geotextile blanket secured in place for a curb inlet, and temporary sediment traps constructed around inlets.

Proper use and maintenance of BMPs during construction

projects can minimize environmental problems associated with soil erosion and sedimentation control. Each year, erosion and sedimentation from construction sites damages aquatic habitats and fisheries and degrades water quality. With proper planning, installation, and maintenance of BMPs, erosion created as a result of construction activities and subsequent sedimentation can be minimized.





RESOURCES:

MDOT Soil Erosion and Sedimentation Control Manual www.michigan.gov/stormwatermgt

MDOT Construction Site Soil Erosion & Pollution Prevention Pocket Guide www.michigan.gov/documents/stormwatermgt/2007_SESC_Pocket_Flip_Guide_192393_7.pdf

Peterson, J.R., D.C. Flanagan, J.K. Tishmack. Effects of PAM Application Method and Electrolyte Source on Runoff and Erosion. Pp. 179-182 in Soil Erosion Research for the 21st Century, Proc. Int. Symp. (3-5 January 2001, Honolulu, HI, USA). Eds. J.C. Ascough II and D.C. Flanagan. St. Joseph, MI: ASAE. 701P0007.

Waters, Thomas F. Sediment in Streams; Sources, Biological Effects and Control. American Fisheries Society. 1995.

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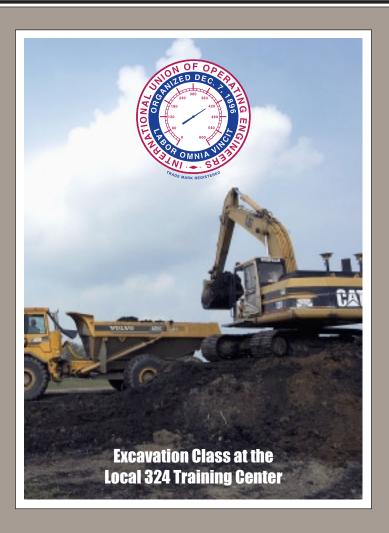
Solutions

In addition to being an authorized Blue Cross Blue Shield of Michigan and Blue Care Network Administrator, we can and will coordinate with other carriers to customize a plan to fit your needs and budget providing you with *solutions*.

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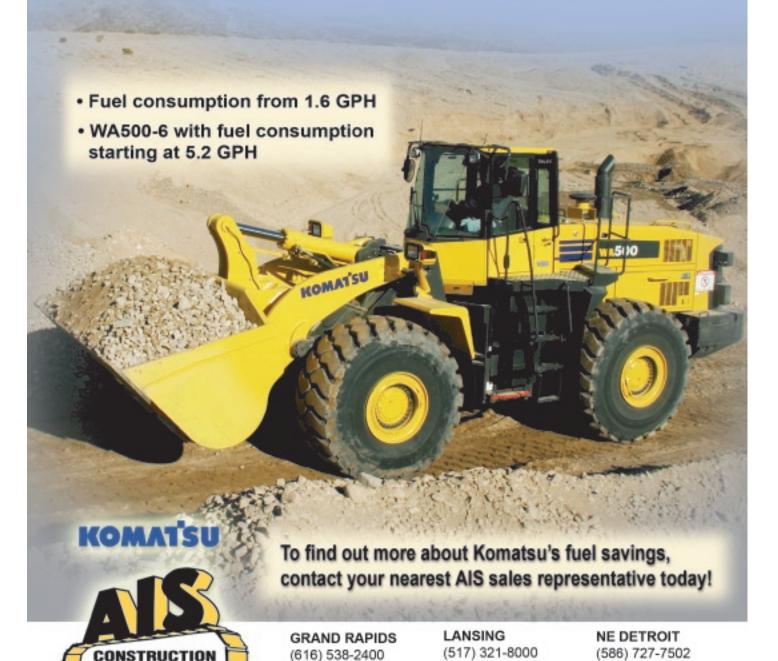
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