

RAMCA NEWSLETTER

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RAMCA ENDORSES GOVERNOR’S TRANSPORTATION PLAN – WITH A CAVEAT

RAMCA, joining an ever-growing list of businesses and associations, has endorsed Governor Bob McDonnell’s recently announced plans for increased funding for transportation infrastructure, much of which will be taken up by the 2011 session of the Virginia General Assembly which convenes January 12th.

That plan, announced last month at the revitalized Governor’s Transportation Conference held in Roanoke, is based primarily on utilizing existing general fund revenue, accelerating the sales of bonds approved by the General Assembly in 2007, and issuing additional bonding over the next several years. The Governor’s package, if fully implemented, would total \$4 million to fund road and transit projects over the next three years. Governor McDonnell has noted that for every \$100 million spent on highway construction, it is estimated 3,000 jobs are created or supported. Consequently, the Governor views his transportation funding package as a necessary step to maintain and expand the Commonwealth’s infrastructure and stimulate the state’s economy to create badly needed employment opportunities.



The Governor’s transportation funding proposal includes the following elements:

- Directs \$150 Million from general fund surplus to transportation (a likely controversial item since legislators will be poised to make further budget reductions of between \$300 million to \$500 million when they convene in January for the General Assembly Session, notwithstanding the technical “surplus” last year).

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RAMCA Endorses...

- Creates the “Virginia Transportation Infrastructure Bank” to multiply transportation dollars. The bank will be capitalized with \$400 million - \$150 million in excess general fund revenues (referenced above) and \$250 million, which is a portion of the revenues discovered from the much publicized VDOT Audit earlier this year. The Infrastructure Bank will provide low interest rate loans and grants to localities, transportation and transit authorities as well as to private sector partners. The expectation is that the Bank would be able to leverage three to five times the amount of funds deposited into it.
 - Accelerates the sales of bonds from the 2007 transportation package to a maximum of \$600 million per year (currently limited to \$300 million), totaling \$1.8 billion by 2013.
 - Appropriates \$50 million of transportation funding to recapitalize the Transportation Partnership Opportunity Fund (TPOF).
 - Increases the availability of dollars for the Revenue Sharing Program (dollar for dollar match) by eliminating the \$1 million cap per project and \$50 million program maximum.
- On January 3rd a number of lobbyists, along with business and industry advocates for increased transportation spending, met with the Governor to discuss his plan. Most, including RAMCA, agreed to support it at the upcoming session of the Virginia General Assembly. But RAMCA and a number of other members of the coalition continue to push hard for some additional action by the Governor, such as the appointment of a special commission, to further address the funding needs and current revenue shortfalls, and make recommendations towards a longer term, sustainable solution. We are optimistic that the Governor heard us, and will take measures in the near future in support of such an approach, or some other strategy that will produce the desired, and very much needed, results.

2011 VIRGINIA AND FEDERAL LABOR LAW POSTER AND OSHA REPORT

Members are reminded that state and federal law requires the posting of state and federal labor law notices for 2011. Recent federal posting revisions include six new or revised notices. Fines can run as high as \$17,000 for non-compliance. If you haven't already posted the new notice and need help in finding a source to purchase one, do a quick online search or contact the RAMCA office. In addition, members are reminded that federal OSHA requires all employers to post the summary (OSHA Form 300 A) of the total number of job-related injuries and illnesses that occurred the previous year. The report must be posted from February 1st to April 30th, 2011. In addition to the total numbers, employment information about your average number of employees and total hours worked is required in order to calculate the accident incidence rate. Companies with no recordable injuries or illnesses during 2010 must still post the form with zeros in the Total line. All summaries must be certified by a company executive.



CONVERSATIONS CONTINUE WITH SCC ON SPECIFIC LOCATION ISSUE

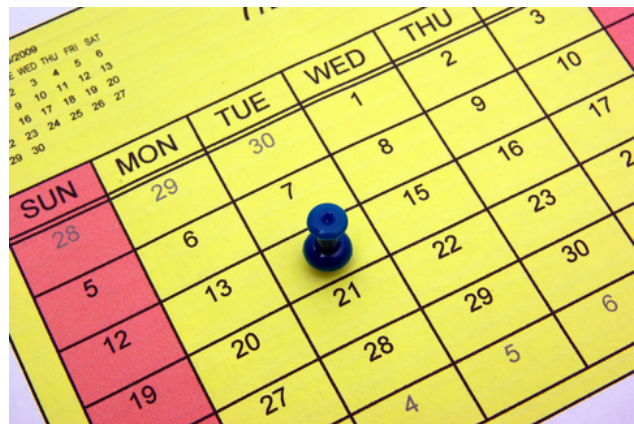
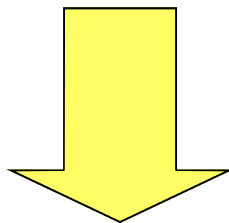
As you may already know, a group of stakeholders, including RAMCA representatives, met at the end of September and discussed several items that were brought to light during the annual Damage Prevention Conference hosted each year by the State Corporation Commission. One item which this stakeholder group decided required further discussion before a recommendation could be made to the Damage Prevention Advisory Committee relates to a more adequate delineation of “specific location” of an excavation area when providing notice of excavations to the notification center.

A small group of stakeholders, including one excavator whom we believe will be a RAMCA member, will shortly be named to address this issue

further. This discussion item will also include utilizing electronic means of defining an area of excavation, and white-lining requirements. The intended result of the discussion will be to evaluate current requirements and decide if any further requirements are needed.

RAMCA believes there end result of these discussions will be to place additional requirements on excavators as needed to ascertain the specific location of the anticipated dig site. In some instances this additional location is needed, on others it may not be. RAMCA continues, however, to oppose any mandatory requirement to white line dig locations. We will keep you informed of progress in this area.

DATES TO REMEMBER



- | | |
|--|---|
| <p>January 12th
 January 22nd
 Feb. 12th
 Feb. 19th
 March 17th
 April 26th, 27th, 28th
 May 10th</p> | <p>Virginia General Assembly Convenes for 46-day session
 RAMCA Safety Seminar—Basic Work Zone / Draper Aden
 Installation of Officers Reception / Hilton Short Pump
 RAMCA Safety Seminar—First Aid and CPR
 General Membership Meeting & Legislative Report / Hilton Short Pump
 SCC Damage Prevention Conference / Hilton Short Pump
 Legislator’s Night / Lewis Ginter Botanical Gardens</p> |
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GOVERNOR ANNOUNCES VDOT AUDIT FINDINGS AND ALLOCATES FUNDS

In September, Governor McDonnell announced the results of an independent performance audit of the Virginia Department of Transportation that identified over \$1 billion in unallocated federal and state funds. He also stated that Virginia's transportation funding needs are tens of billions of dollars in the next decade alone.

The Governor approved an action plan to utilize those identified funds and to make VDOT more effective, efficient and accountable. The action plan identifies:

- \$200 million in excess construction cash to be administered by the Commonwealth Transportation Board (CTB).
- \$524 million to be allocated by the CTB during the spring 2011 update to the Six-Year Transportation Improvement Program (SYIP).
- \$200 million to go immediately to maintenance projects statewide.
- \$130 million in inactive federal project balances to be re-obligated to other active projects in coordination with localities.
- \$400 million in toll credits to be allocated to specific projects by CTB as a state match to federal projects.

The plan also calls for additional VDOT reforms, including:

- Posting monthly financial/operational reports on VDOT's website to improve accountability and transparency.
- Improving use of technology by reconvening the Technology Steering Committee charged with setting technology priorities and assessing/determining system functionality.
- Developing a federal strategy that specifically identifies in advance projects to be obligated throughout the federal fiscal year.
- Expediting projects from planning to construction.

WATCH FOR LEGISLATIVE REPORTS



Richmond Area Municipal Contractors Association

One Strong Voice



Starting the third week in January through mid-February RAMCA members are encouraged to check the RAMCA web site (www.ramca.info) for weekly comprehensive updates of matters of interest coming before the 2011 session of the Virginia General Assembly. From the RAMCA home page just click on the *Legislative News* button. This is members only protected area of the website and you will be asked for a password, which is – politics. This is an important RAMCA service so tune in weekly and stay abreast of happenings that affect your business at the upcoming General Assembly session.

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RAMCA TO MEET WITH VDOT OFFICIALS REGARDING DRAINAGE SYSTEMS

As some of you may know, RAMCA has been reviewing and discussing regulations recently adopted by VDOT concerning post installation inspections and bedding requirements on drainage systems that will be taken into the state highway system. A number of issues have now been clearly identified including, but not limited to:

- inspection tolerances are in some instances more stringent than manufacturers' specifications;
- cost allocation and timing of required inspections needs further clarification;
- required stone size for pipe bedding is problematic and unnecessarily costly.

In addition, RAMCA has now discussed this issue with contractor

representatives from our sister VUHCC organizations (for more info go to www.vuhcc.org) in northern Virginia and Tidewater, and both groups agree with RAMCA's concerns.

Given that fact, RAMCA and representatives from the other VUHCC associations will soon be scheduling a meeting with senior VDOT representatives to discuss our concerns, and hopefully agree on some modifications to the current VDOT regs in this area. RAMCA will keep you posted on our progress in this area.



RAMCA TO MEET WITH CHESTERFIELD ON UTILITY SPECIFICATIONS

RAMCA recently learned that Chesterfield County was planning to adopt a change in their utility specifications disallowing PVC pipe on diameters of 12" or larger. Current County policy sets the disallowance at 16" or larger pipe size. In addition, there is also some confusion regarding changes in the specs regarding field lock joints.

Given that these two issues have arisen without input from RAMCA, we have asked for a meeting with Chesterfield County Utility Department senior staff to explore these and other issues of mutual interest. The County has agreed to postpone adoption and implementation of any new changes until our meeting, which is scheduled for early January. As usual, your association will keep you informed of the outcome of our discussions.

DAVIS BACON RATES TOO HIGH BUT HARD TO FIX

One of our RAMCA contractor members recently alerted the association of the most recent Davis Bacon Pre-Determined Wage Rate Decision issued for Richmond and Henrico. The wage rates and fringe benefits for equipment operators were substantially higher than the going area rates (for example, the bulldozer operator rate is \$21.50 plus a fringe payment of \$4.80). In addition, these new wage rates are substantially higher than the Davis Bacon rates established a few months earlier for the same geographic area. These rates apply to all federally-funded construction jobs that fall under the categories covered by Davis Bacon construction wage rates in the greater Richmond area.

RAMCA provided relevant information on this issue to all contractor members, and a number of other construction associations whose members will be impacted by the new wage determinations. But unfortunately it is much more difficult to appeal and overturn an established wage rate than

it is to accurately set the rate correctly initially. Nonetheless, this matter serves to emphasize the importance of participating in Davis Bacon wage surveys as opposed to simply ignoring them. Organized labor never ignores them and without input from non-union contractors, updated Davis Bacon rates will always be very close, if not exactly, to what union equipment operators in Richmond are making. Bottom Line - RAMCA members need to do a better job of making sure your data is included in these surveys.

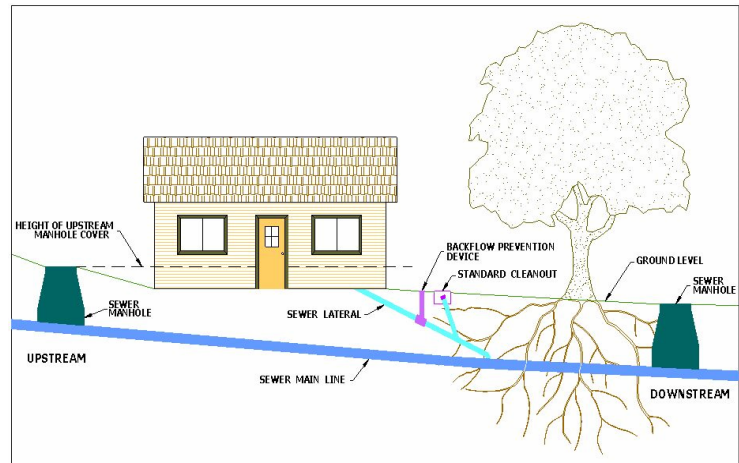


DGS DEBARMENT POLICY FOR FAILURE TO MEET SWaM REQUIREMENTS

The Department of General Services will shortly be issuing Debarment and Enjoinment Procedures whereby contractors may be debarred or enjoined from bidding or performing work on state projects for such things as a failure to meet SWaM requirements, delinquencies in performance and non-performance related causes. Of particular note is a contractor may be "enjoined" from bidding on state construction projects for up to one year if the contractor is 10% behind the approved project schedule unless the contractor makes up the delinquency within 30 days or can show that the delay was due to conditions beyond its control. And, among the grounds for debarment, in addition to being convicted of a criminal offense involving public contracting, are such things, for example, as using obscene or threatening language toward Commonwealth personnel during the performance of their duties, conviction of any offense indicating a lack of moral, ethical or business integrity, or being found to be a non-responsible contractor.

SEWER LATERAL LEGISLATION NOW IN EFFECT

As you may be aware, new sewer lateral legislation became effective January 1, 2011. RAMCA member Buddy Hummel (Henkels & McCoy) and staff spent many hours negotiating these changes with representatives of utilities, water authorities, and local governments. These discussions were often contentious, but a final compromise was hammered out and RAMCA's lobbying arm, the VUHCC, successfully lobbied the 2010 Virginia General Assembly to pass the changes which are now law.



The issue in question was the marking of sewer laterals and potentially other utilities running primarily to residential properties. Under the previous interpretation of the law, most local governments and utility operators marked their utilities in their right of ways, although some did not even do that. But once the line crossed onto the residential property, the onus fell on homeowners to essentially become operators, and somehow mark their lines in accordance with Commission standards. Most homeowners were ill-equipped to understand and manage this task, or were simply unaware of this potential responsibility.

In addition the Commission's interpretation suggested that the local government and utility companies are, in fact, responsible to mark their lines to the connection point of the structure, but government and utility representatives strongly disagreed. The result of this confusion was that a number of cross-boring operations have pierced sewer laterals. And there are instances when a sewer lateral has been cleaned and damage was caused to a gas line that unknowingly crossed the sewer line. The leaking gas then migrated into the house through the now cleared sewer line, creating an extremely hazardous situation.

Due to the serious public safety risks associated with cross bores, Virginia stakeholders agreed that the Act should be amended to include marking requirements for sewer laterals, as well as additional requirements for excavators utilizing trenchless technologies to install or maintain gas or electric utility lines when sewer laterals may be impacted by their work. The result was the legislation passed last January which can be viewed at:

<http://leg1.state.va.us/cgi-bin/legp504.exe?101+ful+HB1230ER>

To further assist in preventing serious accidents and future cross bores, a number of additional best practices and locator response codes (specific to sewer lateral notification and marking) have been adopted and should help communications between the sewer system operator/locator and the excavator. The new Best Practices include:

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SEWER LATERAL LEGISLATION NOW IN EFFECT (Cont'd from page 7)

- Call 811 and request a Miss Utility ticket to get the underground utility lines in your excavation area marked.
- Before beginning excavation, use visual evidence, such as cleanouts or patches in pavement where sewer lines have been previously exposed, knowledge of the proposed excavation site, and/or other available information such as records to determine if a sewer system or private sewer lateral may be impacted by your excavation.
- During the visual inspection of the proposed site make a reasonable effort to determine the probable path of the sewer lateral that may be impacted by your excavation. This may include working with the owner, occupant, or building maintenance personnel to determine the location of the sewer facilities.
- If any evidence of a sewer lateral, such as a cleanout, is discovered, make a reasonable attempt to determine if a tracer wire exists.
- If a tracer wire exists, use the tracer wire to locate the sewer lateral with locating equipment.
- If a tracer wire does not exist, use evidence and other information provided to determine the path of the sewer lateral and plan the excavation so as to eliminate or minimize conflict with the lateral.
- Review information that is provided by the sewer system operator or private sewer lateral owner including markings and/or records.
- Meet with the sewer system operator onsite if they have additional information about the location of the private sewer lateral.
- In the event a sewer lateral cannot be located, do not use trenchless technology in the excavation area.
- In the event the property is serviced by a septic or similar private system, work with the property owner to determine its location and protect those lines.
- Other locating methods such as ground penetrating radar, cameras, fish tape, or hand digging may be used to locate the lateral.

To further promote damage prevention and educate stakeholders on the new legislation, the State Corporation Commission has developed a new training presentation to address the marking and protection of sewer systems in Virginia. If interested in receiving this training, please contact Frank Hudik at (804) 371-9980.

RAMCA ELECTS NEW BOARD AT ANNUAL MEETING

At the Annual Meeting of the association held last November the 2011 RAMCA Board of Directors was elected. A listing of this year's RAMCA Board is attached to this newsletter. RAMCA would like to thank outgoing board members Hardy Josephson (Luck Stone) and Ken Powell (James River Equipment) for their service on the Board, as well as welcome now Board members Billy Chenault (Luck Stone) and Mike Augst (MSC Waterworks) as incoming Board members for 2011.