



## From the President

---



Even though this year presented many challenges for the construction industry, the CAVW is committed to prioritizing the issues facing contractors in West Virginia and to growing the construction economy.

We are very aware that West Virginia's construction employment continues its decline. In October, West Virginia led the nation in the highest percentage of construction jobs lost in a year's period, a ranking the state has held for over 18 months. The state's construction employment dropped 17.3 percent – 5,800 jobs – from October 2014 to October 2015 while nationally construction job growth rebounded as 43 states and the District of Columbia recorded employment increases from a year earlier. This is why the CAVW strongly promotes the correlation between investing in West Virginia's infrastructure to creating jobs and economic development.

A study commissioned by the association shows that West Virginia could realize close to 10,000 jobs and generate nearly \$1 billion in economic output if we adequately fund the state's crumbling highway and bridge infrastructure. The report, "The Economic Impact of an Annual \$500 Million Increase in Highway and Bridge Construction Investment in West Virginia," also concludes an improvement in West Virginia's transportation network would provide long-term benefits for businesses and users, including improved safety, lower operating costs, reduced congestion and an increase in both mobility and efficiency. Media outlets statewide detailed the report, which was released at a news conference held in March at

the State Capitol during this year's legislative session. All legislators were provided a copy of the report.

The CAVW continues to promote investment in many critical environmental and public health needs by providing safe drinking water and wastewater treatment facilities to citizens throughout West Virginia. Modern schools are crucial to future economic development as well as providing a trained workforce, which is why we advocate for funding for the state's school building program.

Our committees have been extremely busy this year to collectively work on issues that benefit our members and the industry. The Joint Architects Committee supports common-sense procurement reforms to improve the delivery of state construction services that benefit state agencies and taxpayers by providing a level playing field for all contractors. A recent rule which prohibited change orders on construction projects from being performed before final approval could have impacted negatively many construction projects. The committee worked with state agencies and elected officials to get an emergency rule approved to resolve the problem until a permanent solution could be found. Our joint committees for highways and utilities continue their good work to make sure our members' concerns are heard and addressed in a positive manner.

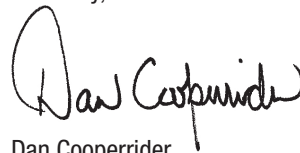
Getting younger members of the CAVW involved in our committees and activities will be one of my major goals as president. We have already changed the focus by naming our young contractors committee the Young Contractors Forum (YCF) to better fulfill the need to cultivate the next generation of leaders in the construction industry as well as the association. The group has already been active by hosting a number of educational and network-

ing functions. The YCF is also involved with some philanthropic ventures, including a "Toys for Tots" golf outing. My hope is that all CAVW members will encourage at least one of their up and coming young employees to participate in the Young Contractors Forum to give them an opportunity to learn and to develop skills that will lead to success in their company, the association and our industry.

As the "Voice of Construction in the Mountain State," the CAVW will continue to represent our members on a broad spectrum of important issues. We will continue to advocate for the interests of the entire industry, fighting for a business-friendly legislative agenda that will stimulate West Virginia's economy while creating thousands of jobs in construction and throughout the entire economy. We will continue to support common-sense reforms that will allow greater investment in infrastructure and workforce development, all while opposing costly and unnecessary regulatory burdens and unfair policies.

This year's annual report is a small sampling of the issues addressed this year by this association for the good of our industry. We could not be successful if not for the support and participation of every member of this great organization. I encourage everyone to become involved in a committee, task force or attend a meeting. I think you will see the benefits of belonging to the Contractors Association of West Virginia.

Sincerely,



Dan Cooperrider  
President

---

### **POLITICAL INVOLVEMENT: IT'S ALL ABOUT JOBS**

The CAVW and its members have worked diligently through the years shaping the issues that impact the state's construction industry. New leadership this year in the West Virginia Senate and House of Delegates pushed forward a number of legal reform bills supported by the business community, including legislation long promoted by the CAVW. H.B. 2002, the comparative fault bill, known as joint and several liability, makes each party responsible only for their proportional share of liability. Prior to passage, CAVW members have been held liable for a large portion of damages regard-

less of their percentage of fault. A number of other legal reform bills were passed as well.

The CAVW continued its policy to promote the message that infrastructure investment equals job creation. There were numerous bills affecting highways and transportation but declining state budget revenues made it difficult to provide little new revenue for state construction projects. Legislation to allow counties to develop their own funding mechanisms for highways, increasing registration fees and bonding measures did not pass, nor did bills that would have reduced funding for West Virginia's highway system. Proposals to divert revenue from water and sewer facilities

and schools did pass but at a much smaller level than what was proposed. With the state's budget deficit in 2016 estimated at \$300 million, the CAVW and members will have to be even more effective in the upcoming legislative session in equating infrastructure investment and jobs.

Legislators modified the state's methodology for determining the state's prevailing wage after agreeing to a proposal to not totally repeal the prevailing wage law, revised the above ground storage tank law to make it more workable, passed new safety rules for operations around surface and below ground quarry operations, exempted municipal water

and sewer subdivisions from WV Public Service Commission ratemaking and certificate of need jurisdiction in an effort to expedite projects to construction, and passed a bill prohibiting governmental entities from imposing a Project Labor Agreement (PLA) on a publicly funded construction contract.

The CAWV's Legislative Action Center, powered by BIPAC, gives members instant contact with their senators and delegates when issues arise affecting our industry. Over 300 individual contacts with legislators were made this year by members with the help of this powerful tool.

### **LEGISLATURE PASSES NEW QUARRY SAFETY RULES**

A task force of the West Virginia Crushed Aggregates Council and the West Virginia Office of Miners' Health, Safety and Training worked for over a year to revise safety rules for above ground and below ground quarries. The West Virginia Legislature passed this session "Rules Governing the Safety of Those Employed In and Around Quarries in West Virginia." Regulatory agencies, quarry operators and their workers were often put in the position of having to interpret requirements dealing with quarries. This ambiguity created automatic conflicts between the regulatory agencies of the U.S. Mine Safety and Health Administration, OSHA and WVMHS&T. The rules went into effect July 1, 2015.

### **STUDY SHOWS ENTIRE STATE WOULD BENEFIT FROM ADDITIONAL ROAD CONSTRUCTION FUNDING**

The CAWV commissioned a report released during a news conference at the State Capitol in March that shows the benefits of having an additional \$500 million annually in highway funding. The study, conducted by the American Road and Transportation Builders Association, shows that West Virginia could create nearly 10,000 new jobs and generate close to \$1 billion in additional economic output due to increased gross state product. Notably, 47 percent of the new jobs would be in sectors other than highway construction, adding about \$296 million in wages. The improvement in West Virginia's transportation network would provide long-term benefits for businesses and users, including improved safety, lower operating costs, reduced congestion and an increase in both mobility and efficiency.

"The study confirms what most residents in the state already know," said Alison Premo Black, senior vice president for ARTBA and author of the report. "West Virginia is in urgent need to invest in its highways and bridges.

There are significant challenges in West Virginia," she added. "The roads and bridges conditions are some of the worst in the country. There is an immediate need." In addition to the safety issues that accompany poor roads and bridges, Black pointed to economic benefits of the suggested investment. "It would affect all sectors of the economy, not just in construction. This is an investment that would create a ripple affect all over major industries in West Virginia. She also stated that a lack of investment would "choke economic growth and have a significant negative impact." To view the "The Economic Impact of an Annual \$500 Million Increase in Highway and Bridge Construction Investment in West Virginia," go to the CAWV website at [www.cawv.org](http://www.cawv.org).

### **ASSOCIATION PARTICIPATES IN TOWN HALL MEETING ON 'WOTUS'**

The CAWV participated in a town hall meeting to discuss the U.S. Army Corps of Engineers and U.S. Environmental Protection Agency's new rule regulating local water ways and Attorney General Patrick Morrisey's legal challenge to it. Known generally as the "Waters of the United States" (WOTUS), the rule would extend EPA and the Corps of Engineers' regulatory jurisdiction to a number of small bodies of water, including roadside ditches and short-lived streams, or any other area where the agencies believe water may flow once every 100 years. The CAWV expressed concern that many construction projects and future development projects would be negatively impacted by the rule as proposed.

### **APPROVAL OF EMERGENCY RULE RESTORES CONSTRUCTION CHANGE ORDERS TO PREVIOUS PROCESS**

On Friday, July 31, 2015, Secretary of State Natalie Tennant signed Decision 8-15 to approve an emergency rule amendment to Title 148, Series 1 – Purchasing Division, which clarifies that change orders related to government construction contracts do not require prior approval. For years, contracting agencies were required to file construction change orders with the Purchasing Division in a timely fashion, but prior approval was not required. This action effectively restores the approval process for construction change orders to the previous process. The emergency rule became necessary on July 1, 2015 when amendments to Series 1 went into effect, which govern, among other things, change orders for contracts approved by the Purchasing Division. The amendments provided that all change orders must be approved by the Purchasing Division and Attorney General (as to

form) prior to commencement of work. If work was performed by a contractor prior to final approval, the contractor could not get paid for costs associated with the change order. The CAWV met with state officials to explain that, due to the unique nature of construction contracts, the required prior approval of change orders would require lengthy stoppages of work on active construction sites that would prove costly and unfeasible and would lead to increased costs for the taxpayer, state government agencies, contractors and others. In November, the Legislative Rule-Review Making Committee approved the rule change.

### **SCHOLARSHIP AND EDUCATION PROGRAM GROWS AGAIN**

The CAWV's annual scholarship program continued its mission in 2015 by contributing a record \$16,000 to seven students pursuing careers in construction. This year's top winner, Kalee Murphey, a student at Fairmont State University, was joined by six other recipients from Marshall University, WVU, and Bluefield State College. The top award amount has been increased from \$5,000 to \$6,000 beginning in 2016. The CAWV Scholarship Foundation also supports several West Virginia career and technical schools each year.

### **NEW PROGRAMS ADDED TO ASSOCIATION BENEFIT PROGRAMS TO SAVE MEMBERS MONEY**

The CAWV is always looking for ways to save members money and increase their competitive edge. The addition of new programs from Expedia and Sherwin Williams added even more ways to save money and take advantage of association membership. For a complete list of the money saving programs available, including BrickStreet Insurance, Verizon, Enterprise Fleet Management, Fastenal, vehicle manufacturers' rebates and Staples, go to the CAWV's website at [www.cawv.org](http://www.cawv.org) and the AGC website at [www.agc.org/member\\_discounts](http://www.agc.org/member_discounts).

### **CAWV, AGC AND BRICKSTREET EDUCATING MEMBERS TO WORK SAFER**

The CAWV partnership with BrickStreet Insurance provides significant savings on members' workers' compensation insurance costs. The program provides a discount on premiums to contractor members with a three-year loss ratio of 65% or less. The program is also a great resource for safety training programs. In 2015 CAWV members had access to OSHA 10 hour courses and a detailed trenching and excavation seminar that included guest speakers from Charleston Fire

and Rescue and OSHA. The seminars were all co-sponsored by the CAWV Safety Committee and BrickStreet.

The CAWV Safety Committee has also revised the CAWV Safety Awards program, making it easier to participate by shortening the questionnaire and simplifying the award choices. The CAWV also offers several online tools for safety education through a partnership with ClickSafety Online Training. ClickSafety has an extensive list of safety training videos and seminars, including OSHA 10- and 30-hour courses that members can purchase at a 10% discount.

### **CAWV REGIONAL MEETING SHOWCASED NEW ENGINEERING COMPLEX AT MARSHALL**

The annual CAWV Regional Meeting took place October 1 in Huntington. The meeting gave members the opportunity to learn about the new Arthur Weisberg Family Applied Engineering Complex at Marshall University, as well as build relationships in the industry. A number of area legislators attended the regional meeting. Tours of the new \$56 million complex were given by current Marshall University engineering students.

### **YOUNG CONTRACTORS FORUM MIXES SOCIAL, EDUCATION AND GIVING BACK INTO THEIR ACTIVITIES**

Young Contractors Forum Chairman Josh Booth has worked to increase the number of participating members by offering a mix of activities. In September, a group of YCF members kayaked on the Coal River and listened to Roger Wolfe, West Virginia Department of Environmental Protection, as he spoke to the group about the stream restoration projects that are ongoing on the river. In October, the YCF partnered with the "Toys for Tots" program to hold the annual fall golf outing at Little Creek Golf Course. The event, in its third year, had the largest turnout to date of 72 golfers and brought in a large amount of toy donations. The YCF November event, held at Buffalo Wild Wings, had a large turnout of members who listened to a presentation on generational differences in the workplace. The YCF has several exciting events planned for 2016.

### **NATIONAL ASSOCIATIONS WORKING TO STRENGTHEN CONSTRUCTION INDUSTRY**

The Associated General Contractors (AGC) of America and the American Road and Transportation Builders Association (ARTBA) represent CAWV members and the construction industry in Congress and throughout the

nation. Both associations are working toward reauthorization of a multi-year federal highway bill, health care reform and promoting a positive image for the construction industry. AGC's CEO Stephen Sandherr was recently named one of nation's top lobbyists by *The Hill* newspaper for his work on behalf of the construction industry

John Boyle, Mountaineer Contractors, Inc., Kingwood, was elected Second Vice President of ARTBA's Contractors Division at the organization's annual convention held in Philadelphia in September. ARTBA continues to push for a multi-year highway bill to replace America's aging transportation infrastructure.

### **TECHNICIAN REFRESHER COURSES OVERHAUL**

The CAWV has conducted WVDOH technician refresher courses for over 50 years. The program has provided certification and training for thousands of industry people working on highway projects. A few significant changes will be implemented in 2016 by the WVDOH that will be of particular interest to our asphalt paving members. Section 401.6 of the WVDOH's Standard Specifications will require each paving crew to have a certified Asphalt Field Technician (AFT) on the project during paving operations. APAWV, the CAWV and WVDOH have been offering this training and certification for a few years in advance of it being required. The name of the course has been changed to Asphalt Field and Compaction Technician (AFCT) Refresher Course to reflect that this individual can also perform nuclear density testing on asphalt.

The current compaction technician certification is also undergoing an overhaul. The new name of this course is Soil and Aggregate Compaction Technician Refresher Course to reflect that this program will no longer cover asphalt compaction. The compaction testing of asphalt pavements is being moved to the responsibility of the new Asphalt Field and Compaction Technician. Industry and the highways department agreed that certified compaction technicians can still perform asphalt compaction testing until December 31, 2017. The CAWV and WVDOH provide certification courses in six different categories between January and March each year.

### **WVDOH LETTINGS LIVE ON THE WEB**

Members can listen to live WVDOH highway lettings through a new complimentary broadcast service provided by the Asphalt Pavement Association of West Virginia. The

service allows contractors, subcontractors and suppliers the option to view live letting results and listen over the internet, or to call in by phone to listen to the letting proceedings. Either way, members will know immediately whether they are the low bidder on the highway project. Members can link from the WVDOH website or log in at [www.asphaltwv.com](http://www.asphaltwv.com).

### **WVDOH JOINT COOPERATIVE COMMITTEE NETWORK WORKS**

The CAWV/WVDOH/FHWA Joint Cooperative Committee, likely one of the association's longest standing committees, continued its partnering efforts in 2015. This committee is supported by six subcommittees and various task forces that address specifications; publications; asphalt; concrete; construction; and aggregates. It works on issues impacting the design, construction and maintenance of our highways and bridges.

The WVDOH will continue to reimburse contractors for Business and Occupation (B&O) taxes on change orders while the committee further examines ways to address the department's concern over cost of pyramiding tax payments. Several CAWV members are assisting the WVDOH with beta testing of Project Bids, software that will soon replace Expedite. The WVDOH's growing use of technology also includes BidExpress, a smaller version of BidX, for use on purchase order type contracts. Contractor access to SiteManager is also anticipated for 2016, an advance supported by industry. Industry also supported a specification change to Section 640.4 that will be included in the 2016 Supplemental that will eliminate copiers, fax machines and computer systems from field offices in future projects.

The Publications Subcommittee will soon publish an updated Standard Details Volume 1 and has begun work on Volume 3. The Specifications Subcommittee has been meeting monthly to discuss Project Specific Provisions, Special Provisions, and items to be included in the 2016 Supplemental Provisions. A task force also continues to discuss changes to the WVDOH Contractor Prequalification process. Over 20 CAWV members participated in the WVDOH Construction and Materials conference this year. Some members served on the contractor panel, while others gave presentations on specific construction and materials topics. All of these activities are geared to providing a better quality of construction at a reduced cost to West Virginia taxpayers.

