

TRANSPORTATION DBE ADVISORY COMMITTEE MEETING

Wednesday, April 2, 2008

Hampton Roads Convention Center, Room 202

1:00PM – 3:30PM

Present:

Stanford Moore, K&M Enterprises
Valerie Kirby-Moore, K&M Enterprises
Layton Fairchild, Fairchild Trucking
Prescott Sherrod, PEMCCO, Inc.
Dan Clymore, Shirley Contracting
Jay Openshaw, E.V. Williams
Kevin Lomax, Lomax Trucking
Samuel Hayes, DMBE
Mark C. Tavenner, DMBE
Vincent Powell, DMBE
Wendell Point, Business Transformation Group
Joe Lewis, Business Transformation Group
Seawright Anderson, CHI Associates, Inc.
James Squire, CHI Associates, Inc.
Cheryl Sheppard, Valley Green Landscaping
David Sheppard, Valley Green Landscaping
Grindly Johnson, VDOT-Civil Rights
Tommy Todd, VDOT-Civil Rights

Freddie Jones, VDOT-Civil Rights
Monica Esparza, VDOT-Civil Rights
Shay Hope, VDOT-Civil Rights
Jessica Spencer, VDOT-BOWD Center
Leslie Martin, VDOT-Civil Rights
Jim Kavina, VDOT-Civil Rights
Devon Henry, Team Henry Enterprises
Patricia Day, J.D. Hauling, Inc.
Byron Coburn, VDOT, Scheduling & Contracts
Gail Bassett, TCE Inc.
Troy Davis, Davis Consulting
Roderick Belcher, Belcher Consultants
Jeff Southard, Virginia Transportation
Construction Association

Minutes from the December 20, 2007 meeting were accepted as read.

Stanford Moore facilitated the meeting welcome and introductions. Grindly Johnson, by request, shared that she had been focusing a great of time in NOVA to ensure DBE participation on mega projects. BOWD center consultants are looking at SOW packages for Flour Lane, designed to meet smaller contractor bidding needs. Opportunity sessions for DBE to bid on projects are upcoming, and there will be quick turn around for response. Truckers are forming a team to respond to contract needs, and there are also opportunities for guardrail, under-drains, clearing and grubbing. Joe Lewis and Wendell Point will have information on notices, but the meeting are driven by Flour Lane, who has been very cooperative.

FUEL ADJUSTMENT CONSIDERATION

If not negotiated, or some agreement made ahead of time, fuel adjustments are typically out of reach to contractors. Byron Coburn clarified that fuel adjustments are designed for work performed on site – every 1/10 gallon fuel for cubic yards moved, ideally every month, rather than delivery of materials unless you are hauling aggregate. VDOT recognizes price adjustment on about 129 items that are listed on VDOT's webpage: http://www.virginiadot.org/business/resources/Eligible_for_Fuel_Surcharge.pdf.

Prime contractors may opt in or out of fuel adjustment. In the last twelve months, approximately \$7 million was paid in fuel adjustments. Approximately \$7 million was paid for adjustments in asphalt installed.

DBEs were advised that if they had a contract without such provisions, that they should talk with the prime contractor, but as noted earlier, unless negotiated ahead of time, is typically out of reach. Subs should not expect contractors to renegotiate unless other terms of the contract will be renegotiated. In the current market, prices are unlikely to go down, and generally speaking, contractors must protect themselves.

DBE TRAINING

Education and training were emphasized to help DBEs. It was noted that lots of firms are folding as a result of market conditions and other factors, and there is a need to know construction, even if you are a hauler, for example. Pre-requisite training before certification or pre-qualification was recommended. The previous practice of DBE Orientation was discussed, as well as District Civil Rights Managers availability to sit down with DBEs one-on-one. An updated orientation manual for contractors is on the Civil Rights Division “to do” list.

The BOWD Center continues to offer training and shared that they will offer Quickbooks training and have estimating software available to DBE firms shortly. They also spoke to the recent success of a firm that was able to raise their bonding capacity from \$500,000 to \$1.5 million.

The challenge of getting DBEs to training was discussed, and it was recommended that each attending the meeting bring 10 contractors, and tell five more people about upcoming training. It was noted that DBEs should take responsibility for their own training and growth and take advantage of the training opportunities that are made available.

TRAINING ON PROCESSES SUCH AS FORMS, BIDDING, AND CERTIFIED PAYROLL

During week of April 21st, each VDOT district civil rights office will host training related to the processes related to VDOT forms and administrative procedures for administrative staff to receive a detailed understanding of what is required for successful administration of federally assisted highway construction projects. Primes, subs and project inspectors are invited to this training. The NOVA District will gear their training to consultants, and they will also host a repeat of “Partnering for Success” to review mega project opportunities. District offices should be contacted directly.

BETTER METHODOLOGY OF PAYMENT TRACKING

Processes for the C63 seem to be working though there was initially significant concern. Delay in payment seems to more of a communication issue rather than process. It was emphasized that where there are payment concerns, VDOT can not help, if unaware of

business challenges. VDOT is sensitive to DBEs concerned about raising issues that may impact prime contractor relations.

Consultant payment issues were also addressed such as where all sub payments are withheld due to an error involving only one sub. The issue that perhaps needs to be addressed in a specification.

It was identified that on construction projects, it is a violation for primes not to turn in estimates, which seems to be a rare situation. Project managers are responsible to get primes to adhere to contract terms.

REVEAL SUCCESSFUL SUBCONTRACTORS AT CONTRACT AWARD

There does not appear to be an easy remedy to identify successful subcontractors at award, as that information resides with the prime contractor, and not even VDOT would have access to such information at this time.

Samuel Hayes identified himself as the new Director at the Virginia Department of Minority Business Enterprise. He spoke to the group about VDMBE's efforts to successfully manage the DBE directory, and partner with DBEs and VDOT.

Meeting Adjourned.