

## ALABAMA UTILITY CONTRACTORS ASSOCIATION

TIM AYERS, EXECUTIVE DIRECTOR  
AUGUST 2015

### **Director's Comments:**



AUCA recently held four meetings throughout the state on the new OSHA Standard for Confined Spaces in Construction. After hearing the presentation four times, and from two different OSHA representatives, it is still clear as mud to me. However, one thing I did learn is that things are changing that will impact how many of our member companies do business.

In response to this, AUCA is hosting a Competent Person Confined Space Safety Training Class in Birmingham on September 14th. While the location may not be convenient for all of our members, if there is demand, we will potentially offer future classes in other locations for those that may not be able to attend. AUCA also has several quality member companies that offer Safety Training. So, whether you get trained through AUCA, or own your own, the bottom line is that you need to make sure you do something.

It's hard to believe Fall is just around the corner. The start of football season is upon us, and it won't be long before the temperature drops and the leaves begin to change. That also means one of the most anticipated AUCA events of the year is near. On October 15th, we will hold our annual Sporting Clay Shoot in conjunction with our statewide General Meeting in Montgomery. Registration Forms will be going out soon, so circle the date on your calendar and make plans to come join the fun.

*Tim*

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*Upcoming Events:*

**September 14, 2015**  
**OSHA 1926 Confined Space Competent Person**  
**Safety Training Class**  
**7:30 a.m. – 4:30 p.m.**

**3500 6th Avenue South**  
**Birmingham, AL 35222**

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**October 15, 2015**  
***AUCA Fall Statewide General Meeting***  
***& Sporting Clay Shoot***  
**Lower Wetumpka Shotgun Sports Club**  
**Montgomery, AL**



**Scheduled Speaker: Del Marsh - Alabama**  
**Senate President Pro Tem**

Official registration will begin in September, but we've already had several sponsor and team commitments.



**Current Gold Sponsors:**



*Sign up early before the event sells out!*

*Additional Corporate sponsorship opportunities available.*

## Legislative News:

### **Alabama Update:**

The 2015 Alabama Legislative Session concluded in June with no General Fund Budget. This occurred after Governor Robert Bentley vetoed the budget that had been passed by the House and the Senate which he described as "unworkable" and "irresponsible."

A Special Session was called by the Governor in July, with the primary purpose being to pass a General Fund Budget. However, the Special Session ended earlier this month with yet again, no General Fund Budget being passed for the 2016 fiscal year that begins on October 1st.

Governor Bentley will call for another Special Legislative Session to begin sometime in September. With news just breaking about the Governor's wife filing for divorce after 50 years of marriage, things will probably continue to be volatile in the Capital City.

***AUCA will continue to keep our members updated on developments throughout the next Special Session***

### **Federal Update:**

#### **HOUSE TRANSPORTATION AND INFRASTRUCTURE SUBCOMMITTEE REQUESTS COALITION COMMENTS ON DRAFT CLEAN WATER BILL**

The House Transportation and Infrastructure Subcommittee on Water Resources and Environment has reached out to Clean Water Construction Coalition representatives requesting our review and comment concerning draft legislation that provides 5 year funding for the Clean Water SRF. The draft bill is titled the "Water Quality Protection and Job Creation Act of 2015" and amends the Federal Water Pollution Control Act. The draft measure provides funds to the CWSRF for 5 years. Funding ranges from \$2.4 billion in federal fiscal year 2016 to \$3 billion in federal fiscal year 2020.

The draft bill is in its early development stages and much more language is expected to be added to the bill. If you would like to receive a copy of the draft, please contact the AUCA office.



## *Manage Change Orders More Effectively:*

*Submitted by Barfield Murphy Shank & Smith Certified Public Accountants*

Change orders can be disruptive. They can turn a project from one that's on track to earning a profit to one that may end up losing money. They also can cause delays, eat up valuable management time, and create additional work for estimators and other team members.

Contractors can't make change orders disappear, but they can limit their prevalence and minimize their financial impact. The key is to develop a process that identifies the causes of the change order, communicates the change to all involved parties, and factors in the cost of the labor, time, and materials of the required change.

### **Identify the Causes**

Change orders typically fall into three main categories:

***Owner Changes.*** These are fairly clear-cut. They occur when the owner requests a change, an enhancement, or an addition that was not included in the original contract or in the project drawings.

***Design/Specification Changes.*** Change orders also result from designer clarifications or changed specifications. Architects, engineers, or designers will sometimes recommend a change in the materials used in certain parts of the building or want to add an architectural feature that was not included in the original project blueprints.

***Unforeseen Conditions.*** If soil conditions on the site are different than were originally outlined in the specifications and require significant remediation, then a change order would be necessary.

As a contractor, you can minimize the possibility of a change order negatively impacting profits by taking a few steps. First, go over the contract. Make sure terms and conditions for change orders are clearly spelled out. Next, make sure supervisors are aware of what is and what is not included in the contract. If an owner requests changes in the middle of a project, your supervisors will be able to follow a series of prearranged steps to get the changes approved and ensure the changes are billed.



## *Manage Change Orders More Effectively:*

*Continued from Page 4*

### **Automate the Process and Communicate the Changes**

Once changes have been requested or identified, you need to contact the customer to confirm them. It can help if you automate the process. Doing so allows you to keep track of potential changes, change orders, and contract modifications so you can communicate these changes to supervisors, suppliers, designers, and subcontractors. Communicating with all involved parties as soon as possible is critical in order to halt work in the change area and limit additional costs to that change. In addition, a good system allows you to update project information in real time and quantify and record all work as it is completed.

### **Ensure Accurate Payment**

Do not process change orders until you and the customer have reviewed and approved billing rates for the extra work. If the contract does not offer pricing guidance for change orders, you have to be sure that you include both direct and indirect costs. Don't let change orders disrupt your business. Take steps now to manage change orders more effectively.



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## News & Notes:



### **In Memory of Jerry Morrison:**

AUCA member Jerry Morrison, Division Manager for C.A. Murren & Sons Company unexpectedly passed away on August 21st at the age of 61.

Jerry was born and lived in Tuscaloosa all of his life. He was a graduate of Tuscaloosa High School and the University of Alabama where he earned a degree in Civil Engineering. During his career he also operated Jerry Morrison Construction, and served as Utility Division Manager for Racon, Inc. for several years.

Please keep the Morrison family in your thoughts and prayers.

### **Davis-Bacon Wage Rate Survey Info:**

The Davis-Bacon Act requires payment of locally "prevailing" wage rates and fringe benefits to employees of contractors and subcontractors performing work on federally financed or assisted construction projects. The United States Department of Labor's Wage & Hour Division is responsible for conducting surveys to establish the wage rates applicable to such projects. Participation in these surveys is crucial, and low turnout in the DOL's surveys can often result in wage rates that are not representative of the true "prevailing" rates in a given area.

Prevailing wage laws have long been criticized as a tool of the labor unions. Too often, say critics, the "prevailing" wages are the same as those negotiated in collective bargaining agreements. This nullifies any competitive advantage of non-union contractors and inflates labor costs on public projects

Once a survey has been conducted, collected, and calculated, it is difficult to appeal and change the rates until the area is surveyed again. The best way to fight for accurate wages is to complete the surveys.

The DOL is planning a Davis-Bacon Prevailing Wage Rate Survey in Alabama from August, 2015 through February, 2016. The survey will include all counties in Alabama, and cover Highway, and Building and Heavy Construction projects that were active during the time frame of January 1, 2014 - December 31, 2014.

***Additional Information Regarding the Davis-Bacon Survey Process can be Found on the Following Page.***



**News & Notes:**

**Davis-Bacon Wage Rate Survey Begins in August:**



**SURVEY**

**STATE: ALABAMA**

**COUNTIES: STATEWIDE**

**ALL COUNTIES IN THE STATE OF ALABAMA**

**TYPES OF CONSTRUCTION: BUILDING & HEAVY**

**SURVEY START DATE: TENTATIVE - AUGUST 1, 2015**

**SURVEY TIMEFRAME: 1/1/2014-12/31/2014**

**BUILDING & HEAVY CONSTRUCTION PROJECTS  
MUST HAVE BEEN ACTIVE WITHIN THE SURVEY  
TIMEFRAME**

**INFORMATION MUST BE POSTMARKED BY CUT OFF  
DATE TO BE USED IN THE SURVEY**

**DATE: FEBRUARY 29, 2016**

**CONTACT:**

**LADONNA VICK**

**WAGE ANALYST**

**525 GRIFFIN STREET**

**ROOM 800**

**DALLAS, TEXAS 75202**

**TELEPHONE NUMBER: 214-749-2028**

**FAX NUMBER: 214-749-2028**

**E-MAIL: [vick.ladonna@dol.gov](mailto:vick.ladonna@dol.gov)**

**WEB SITES:**

**Electronic WD-10 - [www.dol.gov/whd/programs/dbra/wd-10.htm](http://www.dol.gov/whd/programs/dbra/wd-10.htm)**

**Wage Determinations - [www.wdol.gov](http://www.wdol.gov)**

## News & Notes:

### **Proposed Changes to Overtime Rules**

*Courtesy of Day Peake, Attorney with Phelps Dunbar*

The Department of Labor published a Notice of Proposed Rulemaking in the Federal Register on July 6, 2015, setting forth its proposed rule that would increase by more than two times the weekly salary required to treat most employees as exempt from the Fair Labor Standards Act's overtime requirements.

Under the current regulations, employers are not required to pay overtime compensation to their executive, administrative, and professional employees ("white collar workers") who receive more than \$23,660 per year or \$455 per week in salary, for any hours worked over 40 in a workweek. The proposed rule would raise this threshold salary exemption level, so that employers would be required to pay overtime to their white collar workers who receive less than \$50,440 per year or \$970 per week. This increase would set the standard salary level at the 40th percentile of weekly earnings for full-time salaried workers for 2016 and the salary level would be recalibrated annually.

The proposed rule would also increase the total annual compensation needed to exempt highly compensated employees from overtime compensation from \$100,000 to \$122,148 (90th percentile of weekly earnings for full-time salaried workers for 2016).

The DOL is taking written comments on the proposed rule *through September 4, 2015*, after which it will review the submissions and issue a final rule. Some speculate that the "duties test" or other aspects of the current exemption may also be altered based on the comments submitted during this period. Because the DOL has the power to issue the rule without Congressional approval, many expect the rule to be challenged in court and perhaps Congress as well. Regardless, the new rule could be finalized and in effect by 2016. Employers should begin evaluating the exempt status of employees in light of the proposed rule to ensure they have enough time to adjust to the potential for many employees being treated as non-exempt for the first time in their careers or even in the history of the job position.

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### **AUCA Newest Member Company:**

**5B Contracting, LLC - Montgomery, AL**

Company Representative: Lee Boyd



## News & Notes:

### **City of Birmingham Business License Fees:**

The Birmingham City Council did take action this month on one significant matter - overwhelmingly voting themselves a 233% pay increase starting in 2017. "Giving the next Birmingham City Council members a pay raise is not only what's best for the city, but will also offer fair compensation for a part-time job with full-time responsibilities" said Council President Johnathan Austin.

However, there has still been no compromise with the City of Birmingham on the new Ordinance that increases the Business License fee schedule for Contractors. As it currently stands, the City's new Ordinance will take effect in January 2016. The new fee schedule will drastically increase the cost of doing business in the City of Birmingham for all Construction companies, and even more so for those that are based within the city limits of Birmingham.

Stunts like the Council pay increase are what makes the proposed Ordinance to increase the fees on Contractors even harder to swallow.

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### **CompTrust Workers' Compensation Insurance Changes:**

Don Jones, AGC Services President, has retired after 22 years with the company. Jeff Rodgers, former Vice-President of Alabama AGC, has been named President of AGC Services. Rodgers said "this is an exciting time and I think our members and the industry are going to appreciate the changes coming this fall for CompTrustAGC. "A combination of customer service, new products and our long-term dedication to providing the best product in its class will offer contractors solutions the likes of which they have not seen before."

AUCA has a strategic partnership with CompTrustAGC to offer this specialized workers' compensation insurance program to AUCA member companies. CompTrustAGC is the only workers compensation fund in Alabama with an AM Best rating, making it the lowest risk in the market.

Before you renew your workers' compensation policy, ask your agent to get a quote from CompTrustAGC. Make sure the agent mentions that you are an AUCA member. If you have questions, you or your agent may contact Terry Young from MRM at (256) 504-3288. MRM is the Third Party Administrator (TPA) for the CompTrust fund, and a valuable member of AUCA.

**CompTrustAGC**  
*Worker's Comp From People You Know.*



## News & Notes:

### **AUCA PAC Fundraising Raffle**

Tickets will be distributed to AUCA member companies beginning in early September for the annual AUCA raffle. This year we will be raffling two great prizes:

- YETI Tundra 35 Cooler (generously donated by Terry Young with Millennium Risk Managers)
- ATI Cavalry 20 Gauge Over/Under Shotgun



Tickets will be \$10 each, and will allow you two (2) chances to win. The drawing will be held at our October 15th General Meeting / Sporting Clay Shoot in Montgomery. You do not have to be present at the event to win.

All money raised from the raffle will go towards the AUCA PAC Fund to help support our Legislative efforts in Montgomery and Washington.



### **AUCA 2016 Board of Directors:**

Thank you to the members that have submitted nomination forms for the 2016 AUCA Board of Directors.

The Nominating Committee, including Doug Blankenship - Blankenship Contracting, Randy Bishop - CLS, Bill McGough - W.R. Mitchell, Steve Walker - Johnson & Associates, and Tim Ayers - AUCA, will review the nomination forms at the September 9th AUCA Board Meeting in Montgomery.

The proposed slate of nominees of Directors and Officers will be announced to the membership 30 days prior to the October 15th General Meeting.



Recent AUCA Events:

**AUCA 3rd Quarter Area Meetings**



**Tuscaloosa Area Meeting  
August 11, 2015**



**Birmingham Area Meeting  
August 12, 2015**



**Huntsville Area Meeting  
August 13, 2015**



**Mobile Area Meeting  
August 19, 2015**





## AUCA MEMBER SPOTLIGHT:

# Horizon Signal Technologies

**INNOVATIVE**  
traffic control systems



**ADVANCEMENTS**  
in work zone safety

Horizon Signal Technologies, Inc. is a privately held Pennsylvania-based company specializing in meeting the needs of the road construction industry through the manufacture of portable traffic signal systems. Since our inception in 1988, we have dedicated ourselves to manufacturing the high quality, dependable traffic signal systems that provide superior reliability and versatility.



Our signal systems have a long and proven history of providing dependable service in a wide range of applications. Our Research and Development team utilizes the latest technologies, and when needed, develops new technologies to meet the needs of the ever-evolving traffic control industry. From our Regional Sales Managers to our 24-hour Technical Support Group, we are here when you need us.



Our trained and certified Distributor network, combined with Horizon's strategically located facilities throughout North America, allow us to meet the needs of our valued customers, wherever they are. Our commitment to quality and service has made Horizon the industry leader, and our steadfast dedication to maintaining these principles will ensure the best products for our customers for many years to come.

### **Unmatched Service & Support**

Whether your project requires daily, long term, or emergency traffic control, we have the Portable Traffic Signal System to meet your needs. Our systems have been engineered to be component-based systems, meaning that our many add-on features allow our systems fit most any need.

**Matt Stubblefield - Regional Sales Manager**  
**Horizon Signal Technologies**  
**(404) 782-7765 cell**  
**[www.horizonsignal.com](http://www.horizonsignal.com)**



## Health & Safety:

*Provided by Josh Broaddus @ J. Smith Lanier & Company*

### ***OSHA's Lockout/Tagout Standard – What About Motor Vehicles?***

*[Reference 1910.147(d)(1) & (2)]*

One area where the OSHA lockout/tagout standard is commonly thought not to apply is when we work on our cars, trucks, and other vehicles powered by internal combustion engines. But to overlook these types of equipment would be wrong, as it could lead to an injury, or even death! Employees performing service or maintenance on vehicles powered by internal combustion engines are exposed to a variety of hazardous energy sources. Obviously, if someone were to inadvertently start the engine of a vehicle while another person is working underneath the vehicle or beneath the hood, that person could suffer injuries from turning belts and pulleys, fans, or other moving parts. And in some cases, just bumping the ignition of a vehicle equipped with a manual transmission could cause the vehicle to lurch forward and crush a person.

One obvious step we can take to help protect ourselves from hazards such as these is for the employee performing the work on the motor vehicle to remove the ignition key from the ignition switch (and any other keys that might be available) and place it in their pocket. You may even be able to lock the doors of the vehicle to prevent anyone from entering the interior of the vehicle and accessing the controls. But these steps alone may not suffice to prevent the engine from being started. In some cases the engine can be started if the worker accidentally shorts out the ignition circuit. So disconnecting battery cables may also be necessary.

We must also recognize other sources of hazardous energy associated with motor vehicles, such as, but not limited to, thermal energy (hot water in the radiator, usually under high pressure if the engine has been running for a while), and gravity, which could cause the vehicle to roll if it is parked on a slope. And some vehicles, such as dump trucks and forklifts, are equipped with hydraulic cylinders that raise and lower the dump bed, mast, or other heavy components, and those could come crashing down if the hydraulic pressure were to be released.

Therefore, it may be necessary to let the engine cool down for a sufficient amount of time to let the heat and subsequent pressure dissipate. We may also need to lower or block up elevated components such as dump beds and forklift masts that are held up by hydraulic pressure. And it may be necessary to chock or block wheels to prevent vehicles from rolling.



## A Solution For Employers

### Contractors Retirement Plan Features:

#### Employer

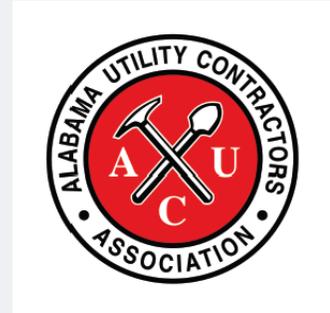
- No cost to employer, no TPA or audit fees
- Fiduciary relief from most 401k liabilities
- Powerful recruiting and retention tool
- Association leadership oversees the plan operation

#### Employee

- Reduced "group" costs on investments
- High focus on *Retirement Readiness*
- Easy enrolling, daily investment changes
- Call center is both live and 24/7 voice response
- Brand name, diverse investment options

#### Plan administrator

- We track eligibility and mail enrollment kits to home address
- Participants call vendor for all issues
- New compliance process eliminates costly errors
- Arduous paper notices mailed by vendor
- Loans, hardship, etc., all handled by vendor!



For more information please contact  
**Linda Smith and Jodi McMahon at  
205-536-9204**

Linda Smith and Jodi McMahon are registered Investment Advisors Representative, with Cambridge Investment Research Advisors, Inc., A broker dealer, member FINRA/SPIC. Cambridge, BenSource Employee Benefits, and AUCA are not affiliates.

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***AUCA IS A MEMBER-DRIVEN, NEEDS  
FOCUSED TRADE ASSOCIATION CREATED  
SOLELY TO PROMOTE AND ADVANCE THE  
UTILITY INDUSTRY IN THE STATE OF  
ALABAMA.***

**We're on the Web !  
[www.aluca.org](http://www.aluca.org)**

Please print out this newsletter to share with others in your company. And, if you are receiving this for the company owner, please print out a copy for him/her.

***Let AUCA Be Your Source For All Your  
Training Needs***

Contact the Association Office for more information

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