A Word From the President

Many Facets Make Your Association Shine

This issue of Constructor does a great job illuminating the different facets of our Association, illustrating why it is such a valuable gem.

- The photos and information about the 16th Annual Affiliate Golf Tournament highlight the networking opportunities we provide for our members: fun and food teamed with the chance to golf at some of the nicest courses in the metro area. It’s just one of our events where connections can be made or strengthened.

- The article on the effort to renew the KCMO capital improvements sales tax and the story about the successful renewal of a street improvement tax in Independence show our Association’s long-standing commitment to support campaigns that improve lives.

- Executive Director Ed DeSoinie’s column shows the intricate involvement of our Association in legislative issues at the local (continued on page 2)

Question #1

Vital Infrastructure Resources at Stake This November

Almost every election has an issue that someone describes as vital, but as overworked as that adjective may be, few words describe so precisely the Kansas City, Mo., Capital Improvement Sales Tax renewal question on the Nov. 6 ballot. This is especially true when you consider one of the primary definitions of the word “vital”: “Necessary to continued existence or effectiveness; essential.”

Since its inception 25 years ago, the Capital Improvement Sales Tax certainly has proven how essential it is.

The word “vital” has its roots in the Latin word for life and that, too, is apt, because the sales tax has improved life for the people who live and work in Kansas City. A vast network of asphalt, concrete, steel and stone holds together both the civic and economic lives of the city. It’s a network that needs consistent maintenance – repairs and replacements have to be made in a timely manner. If they aren’t, we can suddenly discover how many features of modern life we take for granted: We end up driving over pothole-ridden streets, dealing with water main breaks and sewer line back-ups, and watching municipal buildings crumble. It’s true the sales tax has not been able to stave off all of these woes, but it has been able to decrease a number of them.

Consider that since the tax was last renewed eight years ago, it has funded hundreds of critical citywide projects as well as more than 500 individual neighborhood projects – everything from street improvements and storm sewers to traffic lights and parks and recreation facilities – to the tune of $500 million.

This impact is a key reason why the new mayor and City Council made renewing the tax a priority. Within days of being sworn in, the mayor had tasked council members Cindy Circo (5th District/At Large) and Russ Johnson (2nd District/In-District) with spearheading the renewal effort. The two were eminently qualified for the task, having both served as members of the Public Improvements Advisory (continued on page 7)
Many Facets Make Your Association Shine

(continued from page 1)

and state levels, and how that impacts our industry.

• The "Making It Better" section displays the continuing role our members have in enhancing the quality of life for metro-area residents by improving streets, roads, bridges and other infrastructure.

• Finally, the "New Members" section shows you the continued growth of our Association and the vitality of the heavy construction industry.

All of these aspects are important, but in the same way that a gemstone will appear differently to different people, the way our members see the Association’s benefits will differ. Some issues may be more important or of more interest to one member than another, but every aspect of our Association’s activities has its own implications and impacts our businesses.

How well we can affect these varying aspects depends upon the strength of our membership. The greater the number of members we have, the broader and deeper voice we have in the community. Each of us acting independently cannot have the same influence as all of us acting together.

Increased membership also has another advantage – it provides a wider spectrum of viewpoints and a more extensive base of experience. The greater the input we have, the more informed decisions we can make about issues, candidates and campaigns. Even golf courses, I guess. They say the more facets a gem has, the more light it will reflect and the brighter it will appear. I think the same thing can be said about groups. I would proudly present the Heavy Constructors as a sparkling example of what a true Association can be.

John O'Donnell
HCA President

Have a Plan and Deliver on It

Independence Public Works Director Shares Approach With HCA

In August, voters in Independence approved an 11-year, half-cent sales tax for streets and maintenance by a clear majority (66.3 percent to 33.6 percent). In fact, Independence residents have consistently stepped up to the plate to fund needed street improvements. They first passed a street sales tax program in 1998, and then voted to extend it in 2002. Both taxes had five-year terms.

This time around, city officials asked for an 11-year term. They got it. How has Independence been able to get voters to step up to the plate and approve needed infrastructure investment? To learn more, the Heavy Constructors Association recently spoke with Howard Penrod, public works director for Independence.

“We put a program together both times (in 1998 and 2004) and residents saw what we said we were going to do,” explains Penrod, who heads the City’s 92-employee Public Works Department. “The streets here are much improved.”

Penrod’s department is responsible for engineering, acquisition and running a fleet of public maintenance vehicles, amid handling all public works needs for the City. Its focus each week is providing the leadership to get projects done.

The program raises $101 million, according to city projections, which will fund the overlay of all 550 miles of streets. The new plan also sets aside money to renovate 70 alleys, plus sidewalks near five parks and nine schools.

“People can expect to see streets maintained at a level that reduces potholes and adds to the ease of transportation around our city,” Penrod adds.

A citizens oversight committee of volunteers monitors the way the revenue is being spent and reports to the City Council at least twice a year.

“It’s about accountability,” Penrod says, “and trust.”

The Heavy Constructors Association was a major contributor to the campaign supporting the initiative. The Association believes this latest vote shows that Independence residents have confidence in the way their tax dollars are being used – the logical consequence of telling folks how you’re going to spend the money and then doing it.

Have a plan. Deliver on it. It’s an effective model other localities can learn from.

Correction: Zebra Contractor Service

The Spring/Summer 2007 issue of Constructor featured a member profile of Zebra Contractor Service containing some information that needs to be clarified. In particular, a quote attributed to owner Gary Wilbers that included the phrase “welding generators” was in error. It was a misinterpretation of Mr. Wilbers’ explanation of his company’s capabilities. Constructor staff apologizes for the error and are pleased to include this response from Mr. Wilbers:

“Thank you for including us in the last edition of Constructor, but there was a quote or two a little off the mark. To be clear and simple, Zebra is proud to be a reliable mobile welding and line boring company, signatory to Local 101, and is glad to have been an affiliate member of ‘The Heavies’ since 2001.”
‘Safe and Sound’ – A Bridge to the Future

It took the governor calling a special session to get it done, but the Missouri General Assembly has eliminated the legal obstacles to MoDOT’s innovative “Safe and Sound” program. The program, often referred to as the “800 Bridges” program, is an ambitious plan to repair or replace more than 800 of the state’s worst bridges by 2012.

What makes the program unusual is its “design-build-finance-maintain” concept. The team that wins the contract will finance the project up-front and then be repaid through federal bridge funds. The team also guarantees to maintain the bridges for 25 years. The contract amount could be between $400 million and $600 million. The team doesn’t start getting paid until the work on all the bridges is complete (expected to be 2012). The team then gets paid each year until the maintenance commitment of 25 years expires.

The technical changes in the just-approved legislation allow the Missouri Highway and Transportation Commission to reduce the amount of proposal, performance and payment bonds required for the project to a level that the proposal teams may obtain in the marketplace. Without this change, the program was stuck: The previous statute’s bonding requirements called for an amount and duration not available in the surety market.

The Heavy Constructors Association spent months working with the governor’s office, legislative leaders and MoDOT to get these technical hurdles cleared. The changes were on their way to passage in the regular session but got tied up with other legislation that was defeated in the waning hours. When Gov. Matt Blunt called a special session to deal with job creation and business subsidy legislation, he added the bridges legislation because he recognized how important the “Safe and Sound” program is for the state.

The program will greatly accelerate bridge work. MoDOT officials have said the usual rate of bridge repair is 40 to 45 bridges a year. This means it would take close to 20 years to get the amount of work done that this program aims to get done in five years. After the bill passed, MoDOT’s director, Pete Rahn, underscored its significance.

“Bridge improvements are clearly a critical need for Missouri,” he says. “So we’re eager to get started on this ambitious program as soon as possible.”

MoDOT can only fund between 40 and 45 projects like this each year. Without Safe and Sound, MoDOT can only fund between 40 and 45 projects like this each year. (Photos courtesy of MoDOT)

House Bill 2 sailed through the special session, with a 135-14 vote in the House and a 32-0 vote in the Senate. Gov. Blunt held ceremonial signings of the bill on Sept. 5 and 6 – beginning in St. Joseph at the I-29/US-169 interchange – one of the first overpasses built in Missouri (1962). The next stop was in Smithville (Clay County) at the Highway 92 bridge over First Creek, which was built in 1931. Why those locations? The St. Joseph District and Kansas City District have the largest number of bridges in the program: 153 bridges in the St. Joe area and 148 in the KC area. The governor also held bill signings near Springfield and in St. Louis, Kirksville (north central) and Dexter (southeast).

Because the bill contained an “emergency clause,” it took effect as soon as Gov. Blunt signed it. This will allow MoDOT to award the contract at the November Highway Commission meeting in Kansas City.

The two teams competing for the contract are (HCA members in bold):

Missouri Bridge Partners
- Zachry American Infrastructure, San Antonio, Texas
- Infrastructure Corp. of America, Nashville, Tenn.
- HNTB, Kansas City, Mo.
- Clarkson Construction, Kansas City, Mo.
- Fred Weber, Inc., Maryland Heights, Mo.
- Parsons Transportation Group, Pasadena, Calif./St. Louis, Mo.

Exclusive Sub-Contractors:
- Emery Sapp & Sons (Columbia, Mo.), Pace Construction (St. Louis, Mo.), Comanche Construction (Olathe, Kan.), Contech Bridge Solutions (West Chester, Ohio)

Team United
- United Contractors, Great Falls, S.C.
- Cramer/United/Jensen JV, Des Moines, Iowa
- RBC Capital Markets, Toronto, Canada
- LPA Group, Columbia, S.C.
- Roy Jorgensen & Associates, Buckeystown, Md.

Exclusive Sub-Contractors: OCCI (Fulton, Mo.), L.G. Barcus & Sons (Kansas City, Kan.), U.S. Bridge (Cambridge, Ohio), Snyder Bridge Co. (Joplin, Mo.), St. Louis Bridge (St. Louis, Mo.), Columbia Curb & Gutter (Columbia, Mo.), Penzel Construction (Cape Girardeau, Mo.), Burke Bridge (Brookline, Mo.), Herzog Contracting (St. Joseph, Mo.)
A Busy Summer to Prepare for Fall Ballot ‘Harvest’

By Ed DeSoignie, HCA Executive Director

Summertime is to many of our members what harvest time is to farmers – the time when the sweat pays off and money gets made. Normally, the political side of things gets a little slower in the summer, but that certainly hasn’t been the case this year. It has been one of the most active summers I can remember. Using the farmer analogy again:

Construction is the harvest and the political work is the ground preparation and planting that leads to reaping the crops.

So what rows have we been hoeing this summer? The three largest fields have been renewing Kansas City’s one-cent Capital Improvements Sales Tax, changing state law to allow MoDOT’s “Safe and Sound” (800 Bridges) program to proceed, and working on minority and women workforce issues.

Renewal of the KCMO sales tax is hugely important to the local economy. Our page one article goes into detail about why that’s true. We have been discussing this since late last year with the previous administration but began working on the issue in earnest literally days after the new council and mayor were sworn in back in April. City Council members Cindy Circo and Russ Johnson were tasked by Mayor Funkhouser to head the renewal effort.

We met repeatedly in the spring and early summer with them, along with representa-

tives of business and civic organizations and other associations.

These discussions helped develop the language that was in the final ordinance putting the sales tax issue on the November ballot. The ultimate language reflects a delicate balancing of the always-present tension between those who want more money for neighborhood projects, those who want more flexibility in spending for citywide projects, and those who want more money dedicated to maintenance.

The final language didn’t satisfy everyone, but it did pass the council unanimously. As soon as it did, we began working with Citizens for Responsible Spending, the group campaigning for passage of the renewal. We’ve been hard at it since then and won’t rest until election evening – hopefully having gathered in a successful harvest of votes.

Reap What We Sow

Our efforts on another issue have already resulted in a bumper crop. MoDOT’s “Safe and Sound” program is an ambitious effort to repair or replace more than 800 of the state’s worst bridges by 2012. It uses an innovative “design-finance-build-maintain” formula. In other words, the winning team will do the engineering design on all the bridges, develop public involvement plans, construct the bridges, front the initial money for the projects and then maintain the bridges for 25 years. The team doesn’t start to get paid until all of the work on all of the bridges is complete.

Then, it gets paid back over the 25-year term of the contract.

Because of this unique approach, the existing state requirements on bonding didn’t fit. They would have required performance bonds on the entire construction cost and the entire duration of the project – bonds that reach $600 million to $800 million for 25 to 30 years. These types of instruments are just not available in the surety market.

We had worked hard on legislation to fix this problem during the regular session of the General Assembly, and the bill was moving along nicely until it got bogged down in a morass of other legislation – wholly unrelated to the bridge program – that was defeated. So, when Gov. Matt Blunt prepared to call a special session this summer to deal with his economic programs, we worked with legislative leaders and the governor’s office to make sure the bridges legislation was included in the call. The legislation sailed through both chambers and was signed into law the first week of September. It allows the bonding requirements to be set at the terms that are available in the market. This clears the way for the program to move forward.

A Workforce That Works

Finally, we’ve been busy this summer on many aspects of another issue – involving more minority and women in the construction industry as both contractors and workers. In the spring, we helped secure passage of a Construction Work Force Diversity ordinance in KCMO that is workable and will have long-lasting impact on the workforce. We successfully defeated knee-jerk and feel-good solutions that would have failed to solve
the problems. This summer we have been fighting the same battle on a number of fronts. We are working with KCMO officials on a Minority/Women Business Enterprise (MWBE) ordinance – the City legislation that sets goals for the number of minority and women-owned contractors on any city-funded project. We are hopeful to have that resolved soon.

We also hope to make progress increasing the number of women and minority construction workers using a portion of the funds for the kcICON (Paseo Bridge) project. This is a MoDOT-inspired plan. We spent weeks this summer working with them and other groups on the best way to use the money. The end result was a partnering agreement signed in August creating an advisory committee that will recommend training and worker development programs. We have a seat on that committee and hope to move things forward so that a contract on the bridge can be ready in November.

Common Ground

These three issues may seem to be disparate and distinct, but they all have something in common. Each has a direct bearing on the way our members do business. It’s not just how much work will be available, but whether there will be workers to do that work and how desirable that work will be, considering the rules and regulations. You probably have heard the old saying that “anything is possible if money is no object,” as well as its corollary, “money is always an object.” This is especially true in the public sphere where the desire to save taxpayer money often conflicts with other stated goals and policies.

To wrap up using the farmer analogy once again, one of your Association’s roles is to make sure the weeds of burdensome regulations don’t choke our industry’s ability to harvest profits. It seems like it gets harder and harder to do, but we keep working at it and we appreciate your support in this ongoing effort.
Funding PAC in Parkville

More than 60 golfers turned out for the 16th Annual HCA Affiliates Golf Tournament at the beautiful National Golf Club in Parkville, Mo., on Sept. 24. The event raised more than $15,000 for the Association’s Local Political Action Committee (Local PAC). The Local PAC contributes to candidates for city, county and state offices who understand the importance of public works funding. Our thanks to all of the golfers who came out, but special thanks go to the tournament sponsors and the 2007 HCA Affiliate Committee, whose members helped organize the tournament.

2007 HCA Affiliate Committee
Matt McNett, Chairman
Murphy Tractor & Equipment
Steve Lange Schiffman, Remley and Associates
Dave Gunter, Gun-Ko Traffic Services
Chris Hughes, American Riggers Supply
Steve Shondell, Heathwood Oil Company

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Cretex Midwest
The Hartford
Heathwood Oil Co.
Holliday Sand
Hunt Martin Materials
Thomas McGee, L.C.
Victor L. Phillips Co.
Shawnee Rock Co.
Surety Assn. of Kansas City
Travelers Insurance Co.
Trozzolo Communications Group
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Committee (PIAC), which decides where the sales tax dollars should be spent.

The ballot language voters will consider on Nov. 6 was shaped through months of work by an exploratory committee led by

“The sales tax was never meant to address the City’s entire needs. It will generate between $70 million and $80 million a year – bringing in close to $1 billion over its 10-year term. Yet, the city has about $6 billion in infrastructure needs.”

Those findings are reflected in the formula spelled out in the ballot language. The percentage for neighborhoods was increased to at least 35 percent (from 25 percent), and 15 percent was carved out for capital maintenance needs. The remaining 50 percent will fund projects benefiting the whole city.

Some wanted a much higher percentage for neighborhoods – as high as 50 percent. It’s easy to understand why – PIAC consistently gets far, far more requests than it can grant each year. When projects get turned down, neighborhood leaders feel let down. “It’s a system that’s bound to disappoint people,” explains Circo. “My last year on PIAC, our district had $37 million in requests, but only $2.7 million to spend.”

Johnson says those feelings of disappointment are a challenge that must be overcome for the tax to win renewal. “Everybody does get shortchanged,” Johnson says. “Every single neighborhood or district can come to City Hall and say ‘We’re not getting what we need.’ And they’re absolutely right – but they’ll be far more disappointed if this tax fails.”

The sales tax was never meant to address the City’s entire needs. It will generate between $70 million and $80 million a year – bringing in close to $1 billion over its 10-year term. Yet, the city has about $6 billion in infrastructure needs. Still, a billion dollars can make a lot of difference.

“Over the last few years, the City has made monumental strides,” Johnson says. “Continuing this sales tax will allow us to sustain our momentum and build upon our current successes. Renewal of this critical sales tax will help our neighborhoods and allow us to implement much-needed capital improvement projects that impact the quality of life of every Kansas Citian.”

Now it’s up to the voters to realize this issue is indeed vital in many ways and to vote “Yes” on Question 1 on Nov. 6.

Contributions to the campaign supporting the Capital Sales Tax Renewal may be sent to:
Citizens for Responsible Spending 4049 Central Kansas City, MO 64111

$25 Million Earmarked for Neighborhoods

The Kansas City, Mo., City Council isn’t waiting for renewal of the sales tax to funnel more money toward neighborhood needs. On Aug. 30, the council approved a resolution committing $25 million of General Obligation bond funds to “distressed areas” of the City. The resolution breaks down the $25 million evenly among the districts: $5 million for maintenance in the 3rd District and $4 million for maintenance in each of the other five districts.

Fifth District (In-District) Councilman Terry Riley introduced the resolution. He said he did so for two reasons. “The first and foremost reason was to help the neighborhoods of Kansas City by providing more money to work on the existing infrastructure, and allow the council to better focus the funds on areas that need it the most,” he says. “But just as important, I thought this would achieve consensus on the council for the sales tax renewal – and I knew how very important it was to move forward with a unanimous vote on that.”

The introduction of the resolution defused a situation that could have blown up months of negotiations. A few council members who wanted more of the sales tax money to go to neighborhoods attempted to change the formula at the last minute. Even though the votes were there to pass the ballot language without any changes, it was better to see the measure pass with full support. Thanks to the $25 million resolution, it did.

Money spent under this resolution has to follow the guidelines set up when the GO bonds were initially proposed (Ordinance No. 040143). Those guidelines: 30 percent for street preservation and reconstruction, 10 percent for bridge rehabilitation, 10 percent for catch basins and drainage, 10 percent for municipal building rehabilitation, 8 percent for completion of streetlight upgrade, 12 percent for park facilities and deferred maintenance and 20 percent for other capital projects.
Member News

Welcome New Members
The Heavy Constructors Association introduces the following new members:

Hampel Oil, Inc.
2920 Fairfax Trafficway
Kansas City, KS 66115
(913) 281-2920, Fax: (913) 321-5849
E-mail: mike@hampeloil.com
Specializing in commercial wet hosing, fuel and oil equipment, lubricants, Power-Diesel, Bio-Diesel, no-lead gasoline and 10 percent Ethanol.
Why Joined: “We joined the organization because of the excellent reputation the Heavy Constructors has and the exposure to the contracting community.”
Contact: Mike Long

Wallis Lubricant, Inc.
1 Midwest Drive, Pacific, MO 63069
1-888-677-8809
E-mail: lubesgeneral@mail.wallisco.com
Specializing in gasoline, diesel fuel and lubricants for heavy constructors.

Tenoch Construction, Inc.
6216 Mission Road, Fairway, KS 66205
(913) 671-7706, Fax: (913) 671-7307
E-mail: sonyaulrich@kc.rr.com
Specializing in general contracting services – primarily structural concrete scopes – including new concrete pavements, curb, gutter, structural concrete for barrier walls and concrete flatwork scopes.
Why Joined: “To have the representation of the HCA as well as the reputation of the workforce of the local unions.”
Contact: Sonya Ulrich