

PREQUALIFICATION COMMITTEE  
MINUTES – MAY 6, 2010  
8:30 A.M. EDT

The following Committee members attended the meeting:

Martha Kenley	Director, Economic Opportunity Division; Chair and Non-Voting Member
Tony Hedge	Director, Accounting Division; Voting Member
Greg Kicinski	Manager, Office of Project Management; Voting Member
Karen Macdonald	Prequalification Engineer, Legal Division; Committee Secretary and Non-Voting Member
Mark Miller	Director, Construction Management; Voting Member
Tiffany Mulligan	Attorney, Legal Division; Counsel to the Committee and Voting Member
Joe Novak	Construction Director, Crawfordsville District; Voting Member
Jim Stark	District Deputy Commissioner, Seymour District; Voting Member

Also in attendance:

Paul Berebitsky	Indiana Construction Association
Lori Schrad	LaPorte Construction Co.
Susan Miles	Economic Opportunity Division; INDOT
Donna Poole	Economic Opportunity Division; INDOT
Kevin Resler	Economic Opportunity Division; INDOT
Joan Widdifield	Contract Administration Division; INDOT

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The Committee reviewed the following agenda items:

1. Adoption of April 1, 2010 meeting minutes
2. LaPorte Construction Co.- Compliance with the On-the-Job Training Program
3. Update on internal committee

PREQUALIFICATION COMMITTEE MEETING  
OPEN SESSION  
MAY 6, 2010

Ms. Kenley, Committee Chair, called the meeting to order at 8:32 a.m. EDT. All Committee members were present, with the exception of Grant Knies.

1. Adoption of April 1, 2010 Meeting Minutes

Ms. Kenley called for consideration of the meeting minutes from the April 1, 2010 meeting.

Mr. Miller moved to adopt the meeting minutes from the April 1, 2010 meeting. Ms. Mulligan seconded the motion. All members voted in favor. Ms. Kenley stated the minutes would be posted on the website.

2. LaPorte Construction Co. - Compliance with the On-the-Job Training Program

Ms. Mulligan introduced this item by stating that LaPorte Construction's (LaPorte) Certificate of Qualification expired on March 31, 2010, and the Prequalification Section received a renewal application on April 21, 2010.

Ms. Schrad from LaPorte arrived.

Ms. Kenley facilitated introductions of all individuals present.

Ms. Schrad passed out packets to the Committee members.

Ms. Kenley stated that LaPorte has been called before the Committee to discuss its compliance with INDOT's On-the-Job Training (OJT) Program. She asked Ms. Miles from INDOT's Economic Opportunity Division (EOD) to explain the item.

Ms. Miles stated that LaPorte was not in compliance with the OJT program. LaPorte had signed an OJT agreement for the 2009 construction season, which included a goal of 1125 hours.

INDOT had emailed all of the forms for the OJT program to LaPorte. On December 2, 2009, Ms. Miles sent an email to LaPorte asking for the OJT introduction forms, weekly reports, and quarterly evaluation. After LaPorte indicated they had not received the forms, INDOT emailed the forms again. On January 29, 2010, the EOD sent a letter via certified mail to LaPorte notifying LaPorte that it did not meet annual OJT goal and did not submit requested documentation regarding LaPorte's participation in the OJT program. Ms. Miles stated there was a lack of communication in response to the e-mails and certified letters sent by INDOT. In February, LaPorte informed EOD they were trying to complete the forms; however, EOD did not receive them.

Ms. Miles stated that if LaPorte resubmitted the documentation, it would not be included for the 2009 goal. January 20, 2010 was the cut off to submit the documentation for 2009.

Ms. Schrad stated that they tried to hire a female trainee, but the female was on maternity leave. There is a female to be in the apprenticeship program and there is another in the carpentry apprenticeship program.

Ms. Kenley asked if basically nothing happened in 2009 and if the documents LaPorte brought to the Committee members are for 2010.

Ms. Miles responded yes.

Ms. Schrad stated that some of the documentation from last year is in the packet she brought to the Committee meeting. She mentioned that she was under the impression that some of the laborers LaPorte used in 2009 were from the union. She thought they would qualify but did not realize they were not apprentices until she started doing the paperwork. She admitted that she let the ball drop with the paperwork. She stated she is active with the business agents to help recruit and interview for the program. She stated that starting this year, the woman that was on maternity leave has been hired. An apprentice did start, but Ms. Schrad thinks the wrong start date is listed.

Ms. Miles responded that the start date is not correct.

Ms. Schrad stated she can correct it to reflect the right date.

Ms. Kenley requested we keep the discussion to the issues from last year.

Ms. Schrad stated that last year LaPorte had three large projects and a few smaller ones. LaPorte was a sub to Drew and did concrete work. She was active with the business agents and has paperwork to prove it. She stated that there is no way LaPorte will not meet the goals this year. LaPorte has learned from its mistakes. Now that she is familiar with the paperwork, she will do it weekly.

Ms. Kenley asked if last year was the first year LaPorte had been involved with the OJT program or if they had been involved in previous years.

Ms. Schrad stated that she and her partner took over the company in 2007. The people who may have done it in the past are no longer with the company. LaPorte had lost an EEO person. She stated she was not familiar with the paperwork and she waited too long to figure it out.

Ms. Kenley asked if Ms. Schrad or anyone from LaPorte had gone through the OJT training this year.

Ms. Schrad responded that she was aware of the training but was unable to attend because she was out of town.

Ms. Schrad stated she has a copy of the agreement signed in March.

Ms. Kenley asked if there were any questions from anyone.

Ms. Resler stated that the OJT program is a part of the contract and as a contract term, the contractor must comply with the program. If the OJT goal cannot be met, all INDOT asks is that the contractor show that it made a good faith effort to meet the goal. It is important for a contractor to understand that you need to stay in contact with INDOT, especially if you need more time.

Ms. Kenley stated that the main reason the EOD recommended LaPorte come before the Committee was due to LaPorte's lack of communication.

Ms. Schrad stated she understands what to do now. She said that Ms. Miles went out of her way for her. She asked if LaPorte would be invited to OJT training next year.

Mr. Kicinski asked if LaPorte went to the training last year.

Ms. Schrad stated no. She said she did not receive an invitation.

Mr. Kicinski asked how contractors are notified of the training.

Ms. Miles responded the EOD sends invitations based on the prequalified contractors list.

Ms. Mulligan asked if EOD has everything they need from LaPorte now.

Ms. Miles stated there are a few errors that LaPorte needs to work out for hours on the trainees.

Ms. Kenley suggested EOD would work with Ms. Schrad to make the corrections.

Ms. Mulligan stated that she doesn't like that it took a Prequalification Committee meeting for LaPorte to submit its OJT paperwork. She is also concerned with LaPorte's lack of communication.

Ms. Mulligan stated the Committee can make a recommendation to approve LaPorte's pending prequalification application with or without a reduction to the capacity.

Ms. Schrad asked if the Certificate of Qualification could be processed in time for LaPorte to bid on the May 12<sup>th</sup> letting because LaPorte would like to bid on certain projects at that letting.

Ms. Mulligan stated that a recommendation to the Commissioner should happen quickly. If the Committee's recommendation is to approve the pending application and if the commissioner approves the recommendation, LaPorte will be able to bid on the May 12, 2010 letting.

Mr. Miller mentioned that awards were low for this contractor.

Mr. Kicinski stated that it looks like LaPorte is now on the right track with the paperwork. He suggested we recommend to approve the application with a small reduction in the capacity.

Ms. Mulligan stated she agrees that rejecting LaPorte's prequalification application seems unduly harsh; however, a small reduction in LaPorte's capacity rating seems appropriate. She suggested a reduction of ten to twenty percent. This would put a record of this issue in LaPorte's prequalification file.

Mr. Novak asked if the Committee can specify a timeframe on the reduction.

Ms. Mulligan replied that if the Committee does not specify a time limit in its recommendation, any reduction in the contractor's prequalification status would be for one year, and then the next year the contractor could start with a clean slate.

Mr. Hedge asked if the contractor can ask for INDOT to lift the reduction. In other words, does the contractor have the option to ask INDOT to reconsider its prequalification status.

Ms. Mulligan replied yes, but the earliest the contractor can ask for reconsideration is ninety days from the decision.

Ms. Macdonald stated that normally with a new contractor, the experience reduction factor is set at thirty percent. She suggests a reduction of up to thirty percent would be acceptable. LaPorte is under new management and the Committee should consider that. She stated that she is not advocating for a thirty percent reduction, it is just something to consider.

Ms. Kenley stated that INDOT takes the OJT program seriously, and INDOT has good communication with other contractors. LaPorte needs to understand how serious it is to demonstrate a good faith effort and the how important the paperwork is to the apprenticeship program.

Ms. Schrad stated that she understands.

Ms. Kenley stated that non-state work can be used for the OJT goal.

Ms. Schrad responded that she did not know that.

Ms. Kenley called for a motion.

Mr. Stark moved to approve the pending prequalification application with a fifteen percent capacity reduction for a term of one year.

Mr. Kicinski seconded the motion.

All Committee members voted in favor.

Mr. Kicinski suggested training be provided to LaPorte.

Ms. Kenley stated Ms. Miles could help with that.

Ms. Mulligan stated that if there are continued problems or no improved performance, the EOD could request the Prequalification Committee call LaPorte back before the Committee for additional consideration.

### 3. Update on Internal Committee

Ms. Kenley asked for an update on the internal committees.

Ms. Mulligan reported that the first internal committee has finished its work (expansion of the Prequalification Committee to address consultant issues), and the Prequalification Section has made changes to the Consultant Prequalification Manual incorporating the consultant items.

Ms. Mulligan continued with a report on the second internal committee (to revise 105 IAC 11). She explained the rulemaking process and stated that it will be some time before INDOT files the Notice of Intent for the rulemaking. Revisions to the prequalification rules are still in the works, and INDOT needs to discuss all changes we need to address. Please send any suggestions to my attention.

Ms. Kenley provided an update on Gohmann Asphalt and Five Star Painting, which the Committee considered in November of 2009. She said that Gohmann has paid the employees and is working to get reimbursed by Five Star.

Ms. Kenley stated she will be leaving INDOT on June 4, 2010. Grant Knies is leaving INDOT as well. INDOT's Commissioner will consider replacements for both members.

Mr. Stark stated that with the Prequalification Committee opening up to consultants, he had a lot of questions at the Senior Management meeting. He suggested we have separate

meetings with the districts going over what is expected with contractor and consultant issues brought to the Committee.

Mr. Kicinski suggested that consultant issues should be submitted even if they are not serious enough to go before the Committee. If several smaller issues arise, it could even be in more than one district; it could show a pattern.

Ms. Mulligan stated that when contractor issues are brought to the Committee Chair or the Prequalification Section for consideration by the Committee, the Prequalification Section asks the districts to submit any outstanding CR-2's on the contractor. We could do the same for consultant issues.

Mr. Stark asked if the OJT training is provided at the district level.

Ms. Kenley responded yes, to educate construction staff of what is required.

Mr. Stark asked if it falls under the district EEO officers.

Ms. Kenley responded yes.

Mr. Kicinski moved to adjourn the meeting and Mr. Miller seconded. All members voted in favor of adjourning the meeting.

Ms Kenley adjourned the meeting at approximately 9:34 a.m.