



Indiana Mineral Aggregates Association

The Source Report

Volume XVI, Issue 6

December 2006

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Presidential Overburden

Bill Silvers, IMAA President

Now that Thanksgiving is over and we are all preparing for the Christmas Season, we have several wish lists for our family and also for our industry.

The elections are over and a new group of legislators are going to be in place making decisions about funding and the priority of projects. It is very important that our Association remains active through our Legislative Committee. It is equally important that we keep in touch with our legislators as voters and taxpayers stating our thoughts, whatever they may be.

By the time you receive this newsletter, the Association will have had the November 30th Board Meeting and passed the budget for the 2007 IMAA calendar year. As you all know, it is not always easy to project income and expenses but we are doing our best to be as accurate as possible.

I hope you and your families have a safe and happy holiday and that we can bring in the new year looking forward to a productive 2007.



Indiana Mineral Aggregates Association

Presents

**2007
Operations Seminar**
Make "Cents" Out of Rising Energy Costs

Tuesday, January 30, 2007
Indianapolis Marriott North Hotel
3645 River Crossing Parkway



**2007
IMA Winter Workshops
and
Awards Luncheon**

January 31 - February 1

Indianapolis Marriott North Hotel
3645 River Crossing Parkway

Limited Number of Rooms Available for 2007 Indiana Construction Industry Conference

We suggest you make your hotel reservations early at the Westin Grand Bahama Island Our Lucaya Resort. **The deadline to reserve a room is January 12; however, you should book early**, as there are a limited number of rooms available at the **group rate**.

Registration materials for the 2007 Indiana Construction Industry Conference have been mailed to members of participating associations. The conference will take place February 9-16, 2007 on Grand Bahama Island. Questions regarding the conference should be directed to Cummings Meetings Consultants, Inc. at (317) 635-4755.

Online registrations can be made by logging on to: www.icic2007.com.

The following industry associations are hosting this 2007 event:

- American Concrete Pavement Association-Indiana Chapter
- American Council of Engineering Companies of Indiana
- Asphalt Pavement Association of Indiana, Inc.
- Associated General Contractors of Indiana, Inc.
- Indiana Constructors, Inc.
- Indiana Equipment Distributors
- Indiana Mineral Aggregates Association
- Indiana Ready Mixed Concrete Association

*** Passports Required for Attendees of the 2007 Conference ***

If you are planning to attend the 2007 Indiana Construction Industry Conference in the Bahamas, you must obtain a passport prior to December 31, 2006. Applying for a passport may take up to 60 days and without the appropriate paperwork, the process can take longer. **We are recommending all attendees apply for passports immediately to avoid any attendance restrictions.**

For more information on the initiative and about applying for a passport, you can go to the State Department's consular website at www.travel.state.gov or the U.S. Department of Homeland Security's website at www.dhs.gov or call the U.S. National Passport Information Center at (877) 487-2778. **Passport offices expect delays in the weeks leading up to the December 31 deadline, so please don't wait until the last minute.**

Changes in international travel requirements will cause all travelers, including U.S. citizens, to and from the Americas, the Caribbean and Bermuda to have a passport to enter or re-enter the United States. The changes will be implemented in phases. The proposed timeline is as follows:

December 31, 2006: Requirement applied to all air and sea travel to or from Canada, Mexico, Central and South America, the Caribbean and Bermuda.

December 31, 2007: Requirement extended to all land border crossings as well as air and sea travel.

PIE COMMITTEE

Sonya Cowles, Chairman

It has been another very impressive year for the PIE committee. We were able to distribute over 2000 of the mineral boxes at HASTI in February to many appreciative educators. Our Teachers Workshop this past June was another success with 41 teachers attending. Thanks to all of the Members and Associate Members we were able to have one of the most successful Golf Fundraisers ever.

The PIE committee is looking ahead with enthusiasm to next year and all the activities that it will entail. A new item on the agenda is partnering with the Indiana Geological Survey and to host the National Minerals Education Conference in Bloomington. This conference will bring in people from all over the country and allow us to showcase the mining industry in Indiana, helping people to appreciate all the hard work that goes into making our business what it is today.

The PIE committee would like to extend our thanks and gratitude to the Members and Associate Members who faithfully give of their time and resources each year to help make this committee a success. Without your generosity we would not be able to do what we do nor be able to help people appreciate this great industry of ours. So thank you and we look forward to another great year.

CAPP School

60 students participated in this year's CAPP School at Indiana Wesleyan University on November 13 -17.

Thanks to all INDOT and industry instructors who made this year's CAPP School such a success!



ADVERTISING SCHEDULE

We announced in the August newsletter that we would be accepting advertising inserts for future newsletters. As of this mailing, the first spot will be available in the August 2007 issue. Guidelines for advertising in *The Source Report* are:

One 8½"x11" page of your advertising (Double-sided ok).

Call IMAA Office to secure your month on the advertising schedule. (First available opening is August 2007.)

Provide 500 advertising inserts to IMAA Office by the first day of scheduled month.

Cost: \$500 (To defray newsletter costs and postage)

NSSGA Research Allows Major Savings

Since 1991, the National Stone, Sand and Gravel Association has been conducting research on air emissions from crushed stone facilities. This has led to two reductions of emission factors that EPA and state regulatory agencies use to calculate production limits that are imposed on permit applications. Emission factors are also used to calculate emission fees. This testing has also shown that our industry is an insignificant source of PM-2.5 emissions, which should help us avoid the impact of new regulations on this size of particulate matter. According to Air Control Techniques, who has done the research, it has meant an average cost savings of \$24,000 per plant per year.

Are you getting all of your test results from INDOT?

All members should be aware that INDOT is currently unable to print out reports that summarize the test results from samples they pick up at our sources. This is a result of their transition from an old computer system to the new Site Manager program. INDOT anticipates correcting this problem at some point in the future. However, in the meantime we have been instructed to call our respective district offices and request our results. If the district office is not able to get the results, we may then call the Central Materials & Test office. Bob Rees & or Bart Williamson.

The Technical Committee realizes that this is an inconvenience and we would encourage all of you to email us with your feedback in the event that you have any problems receiving your results. Thank you.

I N T E R N A T I O N A L

ICAR

CENTER FOR AGGREGATES RESEARCH

April 9 - 12, 2007

Austin, Texas

Major Moves Construction Fund
\$150 million to Indiana Counties, Cities & Towns
(SECTION 5 of H.E.A. 1008)

Frequently Asked Questions

Q: **Do we have to set-up a separate fund?**

A: According to SECTION 5 of House Enrolled Act No. 1008, Chapter 14 is added to 8-14 of the Indiana Code. I.C. 8-14-14 does NOT mandate a separate account for these monies.

Q: **What are the allowed uses of the major moves construction fund?**

A: According to SECTION 5 of House Enrolled Act No. 1008, Chapter 14 is added to 8-14 of the Indiana Code. I.C. 8-14-14-6 will read (under 1B) "Money distributed under this subdivision may be used only for purposes that money distributed from the motor vehicle highway account may be expended under 8-14-1-4 for counties and I.C. 8-14-1-5 for cities and towns."

I.C. 8-14-1-4

County allocations; budgeting; permissible use of funds; county allocation

Sec. 4. The funds allocated to the respective counties of the state from the motor vehicle highway account shall annually be budgeted as provided by law, and, when distributed shall be used for construction, reconstruction and maintenance of the highways of the respective counties, including highways which traverse the streets of incorporated towns, the cost of the repair and maintenance of which prior to the tenth day of September, 1932, was paid from the county gravel road repair fund excepting where the department is charged by law with the maintenance or construction of any such highway so traversing such streets. Any surplus existing in the funds at the end of the year shall thereafter continue as a part of the highway funds of the said counties and shall be rebudgeted and used as already provided in this chapter. The purchase, rental and repair of highway equipment, painting of bridges and acquisition of grounds for erection and construction of storage buildings, acquisition of rights of way and the purchase of fuel oil, and supplies necessary to the performance of construction, reconstruction and maintenance of highways, shall be paid out of the highway account of the various counties.

I.C. 8-14-1-5

Permissible use of funds; municipal allocations

Sec. 5. (a) All funds allocated to cities and towns from the motor vehicle highway account shall be used by the cities and towns for the construction, reconstruction, repair, maintenance, oiling, sprinkling, snow removal, weed and tree cutting and cleaning of their highways as herein defined, and including also any curbs, and the city's or town's share of the cost of the separation of the grades of crossing of public highways and railroads, the purchase or lease of highway construction and maintenance equipment, the purchase, erection, operation and maintenance of traffic signs and signals, and safety zones and devices; and the painting of structures, objects, surfaces in highways for purposes of safety and traffic regulation. All of such funds shall be budgeted as provided by law.

(b) In addition to purposes for which funds may be expended under subsections (a) and (c) of this section, monies allocated to cities and towns under this chapter may be expended for law enforcement purposes, subject to the following limitations:

(1) For cities and towns with a population of less than five thousand (5,000), no more than fifteen percent (15%) may be spent for law enforcement purposes.

(2) For cities and towns other than those specified in subdivision (1) of this subsection, no more than ten percent (10%) may be spent for law enforcement purposes.

(c) In addition to purposes for which funds may be expended under subsections (a) and (b) of this section, monies allocated to cities and towns under this chapter may be expended for the payment of principal and interest on bonds sold primarily to finance road, street, or thoroughfare projects.

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- Q: Will the major moves construction fund money come as a separate distribution apart from my regular motor vehicle highway money?**
- A:** Yes. Under SECTION 5 of House Enrolled Act No. 1008, Chapter 14 is added to 8-14 of the Indiana Code. 8-14-14-6 will read, "(a) If the authority enters into a public-private agreement concerning the Indiana Toll Road under IC 8-15.5, the auditor of state shall make the following distributions from the fund for the indicated purposes:
- (1) One hundred fifty million dollars (\$150,000,000) to the treasurer of state for deposit in the motor vehicle highway account established by IC 8-14-1. Notwithstanding IC 8-14-1, on or before October 15, 2006, and on or before October 15, 2007, the auditor of state shall distribute seventy-five million dollars (\$75,000,000) of the money deposited in the motor vehicle highway account under this subdivision to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1 and in the same proportion among the counties, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1. The auditor of state:
 - (A) shall make the distributions required by this subdivision separately from distributions required by IC 8-14-1; and
 - (B) may not combine the distributions required by this subdivision with distributions required by IC 8-14-1."

**Local Major Moves Construction Fund
Special Distribution to the Counties, Cities and Towns of
Stueben, LaGrange, Elkhart, St. Joseph, LaPorte, Porter & Lake
(SECTION 7 of H.E.A. 1008)**

Frequently Asked Questions

- Q: Do we have to set-up a separate fund?**
- A:** According to SECTION 7 of House Enrolled Act No. 1008, Chapter 16 is added to 8-14 of the Indiana Code. I.C. 8-14-16-4 will read, "Each county, city, or town that receives a distribution under section 3 of this chapter shall establish a local major moves construction fund."
- Q: What are the allowed uses of the local major moves construction fund?**
- A:** According to SECTION 7 of House Enrolled Act No. 1008, Chapter 16 is added to 8 14 of the Indiana Code. I.C. 8-14-16-5 will read "Money in the fund may be expended only for the following purposes:
- (1) Construction of highways, roads, and bridges.
 - (2) In a county that is a member of the northwest Indiana regional development authority, or in a city or town located in such a county, any purpose for which the regional development authority may make expenditures under IC 36-7.5.
 - (3) Providing funding for economic development projects (as defined in IC 6-3.5-7-13.1(c)(1) or IC 6-3.5-7-13.1(c)(2)(A) through IC 6-3.5-7-13.1(c)(2)(K)).
 - (4) Matching federal grants for a purpose described in this section.
 - (5) Providing funding for interlocal agreements under IC 36-1-7 for a purpose described in this section.
 - (6) Providing the county's or city's contribution to the northwest Indiana regional development authority, in the case of a county described in section 1(3) of this chapter or a city described in IC 36-7.5-2-3(e).
- Q: Will the major moves construction fund money come as a separate distribution apart from my regular motor vehicle highway money?**
- A:** Yes. Under SECTION 7 of House Enrolled Act No. 1008, Chapter 16 is added to 8-14 of the Indiana Code. 8-14-16-3 will read, "Money distributed to a county described in section 1 of this chapter from the major moves construction fund under IC 8-14-14-6(a)(3) shall be distributed by the county auditor among the county and each of the cities and towns in the county that is eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1, in the same proportion among the county, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1."



ANALYSIS OF THE 2006 STATE ELECTIONS

The results of the 2006 Indiana General Assembly election are likely to have far reaching impacts for the highway industry. No longer a bipartisan issue, highway funding resulting from the implementation of Major Moves became one of the most used campaign issues during 2006. However, the fact that Major Moves, by itself, did not cause any losses in the General Assembly, will mitigate some of the carryover impact in this next General Assembly biennium.

House Races

In summary, the Indiana House of Representatives changed its majority party, from a two seat advantage (52-48) held by the Republicans, to a one seat advantage held by the Democrats (51-49). There are still three races subject to recounting, but they could only add to the number of seats held by the Democrats, not detract. No seats in the Senate changed party, and the Republicans retained their 33-17 majority.

The change in the House majority party has resulted in Rep. Bauer from the South Bend area being renamed Speaker. During the Major Moves debate, Rep. Bauer led the opposition to the transportation program, instead suggesting that the state issue bonds on the toll revenues and applying that revenue to transportation projects. Since the end of session in March, 2006, there have been reports of remarks made concerning the use of Major Moves proceeds for non-transportation uses. Current law directs that the Major Moves money be used for transportation purposes, but leadership of the House has recognized that it is easy to change this directive in another legislative provision.

Senate Races

Tempering any discussion of changing the distribution of Major Moves money will be the party consistency found in the Senate. Except for President Pro Tem Bob Garton, who lost in a primary bid, the key Senate players responsible for Major Moves are still in office. This includes the new Senate Pro Tem, David Long from Fort Wayne, who was a strong advocate for the Major Moves cause. His leadership team (Asst. Pro Tem Sue Landske, Floor Leader Connie Lawson, Asst. Floor Leader Teresa Lubbers, Asst. Floor Leader David Ford, Caucus Chair Jim Merritt, Whip Brandt Hershman, and Asst. Whip Vic Heinhold) all voted in favor of Major Moves as well. Knowing that their constituents are watching for the projects promised in Major Moves, the Republican Senators are unlikely to support moving those funds to another state program.

The Senate Minority Leadership, with Minority Leader Richard Young, Assistant Minority Floor Leader Vi Simpson, and Caucus Chair Sam Smith, will likely continue their opposition to Major Moves. However, their 18 members will have limited force in the discussion.

continued...

Highway Funding Impacts

Further tempering any changes, supportive Senators and House members will be more likely to protect the funding based on the election outcomes. While Major Moves played heavily in the political advertising along the Toll Road, not one state legislator who voted for Major Moves and who represents areas along the Toll Road (thought to be the most vulnerable Representatives in the state) lost their seat. Based on those outcomes, the pro-Major Moves legislators will feel more comfortable defending their vote and protecting the money for transportation uses.

Of the new members of the Indiana House, many have won an open seat. Of the ten open seats, all have been retained by a member of the same party. Of the ten, the one that may have the potential to be a leader in transportation issues is Ed Soliday, who won in Ralph Ayres district. During the election, he responded to Major Moves criticism by saying it is done, and it's time to move on. He has suggested using a P3 approach to build the Illiana Expressway and he campaigned on the necessity of having a transportation infrastructure to bring in jobs. Others favor economic development, but have not taken strong positions on transportation.

Of those who won their seat from an incumbent, there will be more dramatic changes. Specifically, Rep. Woodruff (R, Vincennes), Rep. Bright (R, Madison), Rep. Heim (R, Plymouth) and Rep. Smith (R, Kokomo), all supporters of Major Moves and specific highway projects, were defeated by Democrats. Of those who will now be holding the seats, it is unknown how supportive of highway funding they will ultimately be, but there have been some clues to their thoughts. Former Sen. Dembowski (D), who defeated Rep. Heim, has always been very supportive of economic development initiatives. She was not in office to take a vote on the gas tax nor GARVEE bonding, but did vote in favor of legislation to rectify various highway funding penalties (such as open container). She did issue a position statement against Major Moves, and is likely to follow party lines votes regarding highway funding.

Former Rep. Cheatham (D), who defeated Rep. Bright, gave the party line during discussions about Major Moves, saying that he felt the lease was unnecessary and that bonding could raise enough revenue for road projects. Further, he supports the I-70/US 41 route for I-69 and stated that he did not foresee the need for any kind of gas tax increase during the next ten years. As an educator, his main goals for the legislative session are improvements to the education system.

Like Cheatham, Kreg Battles (D), who defeated Troy Woodruff, is an educator who has listed academic achievements as his primary goal for his legislative term. Concerning Major Moves, Battles listed several concerns with the provisions, almost exclusively dealing with giving the Governor traditional legislative authority in determining whether I-69 will be a toll road. More recently, Battles has criticized P3's as an auctioning off of the state's infrastructure.

Former Rep. Herrell (D) has supported highway funding issues in the past, voting for the gas tax increase in 2002 and for GARVEE bonding in 2004. However, he issued a letter to the editor against Major Moves due to the lack of analysis given. Instead, he encouraged the State to look at traditional methods such as GARVEE and TIFIA to fund road projects.

Finally, Jon Elrod, the only Republican that appears to have defeated a sitting House Democrat (Rep. Ed Mahern) (race will likely be subject to a recount), focused his campaign on neighborhood issues. His views towards Major Moves and highway funding are still largely unknown.

All in all, the new members of the Indiana House of Representatives have not shown a propensity to support Major Moves or other similar P3 initiatives. The potential for their support of using Major Moves proceeds for other state programs should not be minimized. In order to protect the highway funds that have been made available, continued education for the members of the House and Senate is critical.

2006 IMIAA Safety Awards

<u>18 Year Award</u>	1201020	Rogers Group, Inc.	Sieboldt Quarry
<u>16 Year Award</u>	1202032	Irving Gravel Co., Inc.	Kendallville Plant
<u>14 Year Awards</u>	1202022	Elkhart County Gravel, Inc.	New Paris Plant
	1201948	Elkhart County Gravel, Inc.	Portable Plant #1
	1200738	Irving Gravel Co., Inc.	Indian Springs Plant
<u>13 Year Awards</u>	1200779	Aggregate Industries	Elkhart Sand & Gravel
	1202121	Elkhart County Gravel, Inc.	Portable Plant #2
<u>12 Year Awards</u>	1202170	Irving Gravel Co., Inc.	Ligonier Plant
	1201258	Niblock Excavating & Asphalt	L-Bob Gravel
	1200692	Rogers Group, Inc.	Knox County Plant
<u>11 Year Award</u>	1202181	Elkhart County Gravel, Inc.	Middlebury Plant #1
<u>10 Year Awards</u>	1202197	Elkhart County Gravel, Inc.	Middlebury Plant #2
	1200721	Rogers Group, Inc.	Morgan County Plant
	1202187	Shelby Materials	Shelbyville Plant
<u>9 Year Award</u>	1200939	Rogers Group, Inc.	Wabash Sand & Gravel
<u>8 Year Awards</u>	1202244	Hanson Aggregates Mideast	Limedale Quarry
	1202115	Irving Gravel Co., Inc.	South Milford Plant
	1202243	Irving Gravel Co., Inc.	Angola Plant
	1202038	Martin Marietta Aggregates	Waverly Sand
	1201523	Rogers Group, Inc.	Interstate Sand & Gravel
<u>7 Year Awards</u>	1200768	Beaver Materials	Waverly Plant
	1200634	CGS Services, Inc.	South Plant
	1202151	Engineering Aggregates Corp.	Plant #2
	1200008	Hanson Aggregates Mideast	Versailles Quarry
	1200716	Rock Industries, Inc.	Plymouth Plant
<u>6 Year Awards</u>	1200013	Calcar Quarries, Inc.	Paoli Plant
	1201966	Hanson Aggregates Mideast	Harding Street Mine
	1200007	Hanson Aggregates Mideast	North Vernon Quarry
	1201911	Martin Marietta Aggregates	Belmont Sand
	1200088	New Point Stone Co., Inc.	New Point Quarry
	1202211	Purdy Materials	Plant #1
	1202276	Rieth-Riley Materials	Mooresville Plant
	1200139	Rogers Group, Inc.	Owen Valley Quarry
<u>5 Year Awards</u>	1202260	Hoosier Sand & Gravel	Bloomfield Plant
	1202095	Old Prairie Products	Ft. Wayne Plant
	1202290	Paul H. Rohe Co.	
	1200769	Phend & Brown, Inc.	Leesburg Sand & Gravel
	1200892	Rogers Group, Inc.	Greene County Sand & Gravel
	1200067	Vulcan Materials Company	Harrison County Quarry

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1200022	Barrett Paving Materials	Richmond Plant
1200015	Cave Quarries, Inc.	Paoli Plant
1200017	Corydon Stone & Asphalt, Inc.	
1200020	Davis Crushed Stone & Lime	
1202021	Elkhart County Gravel, Inc.	Warsaw Plant
1200840	Engineering Aggregates Corp.	Plant #1
1201823	Engineering Aggregates Corp.	Portable Plant
1201909	Hanson Aggregates Mideast	Angola Plant
1200620	Hanson Aggregates Mideast	Harding Street Sand
1202222	Hanson Aggregates Mideast	Tom Miller Quarry
1202210	Hanson Aggregates Mideast	Milner Quarry
1202337	Hanson Aggregates Mideast	Atkin's Mine
1200004	Hanson Aggregates Mideast	Atkin's Quarry
1201391	Hanson Aggregates Mideast	Cooper Lane Quarry
1200005	Hanson Material Service	Babcock Quarry
1201718	Hanson Material Service	Ward Stone
1202217	Harco Sand & Gravel, Inc.	
1200039	Harris Stone Service, Inc.	
1202318	Hoosier Sand & Gravel Co.	Mooresville Plant
1200665	Huntington Ready Mix	H & W Sand & Gravel
1202247	Irving Gravel Co., Inc.	Portable Plant
1200725	Irving Materials, Inc.	Anderson Plant
1200029	Irving Materials, Inc.	Bluffton Plant
1201961	Irving Materials, Inc.	Calcium Products
1201034	Irving Materials, Inc.	Cambridge City Plant
1202027	Irving Materials, Inc.	Greenwood Plant
1200028	Irving Materials, Inc.	Huntington Plant
1200680	Irving Materials, Inc.	Marion Plant
1200681	Irving Materials, Inc.	McCordsville Plant
1200355	Irving Materials, Inc.	McCordsville Quarry
1200054	Irving Materials, Inc.	Montpelier Plant
1201901	Irving Materials, Inc.	Pendleton Plant
1201173	Irving Materials, Inc.	Pipe Creek Jr.
1201997	Martin Marietta Aggregates	Gospport Quarry
1202203	Martin Marietta Aggregates	Kokomo Sand
1200100	Meshberger Bros. Stone Corp.	Fairview Quarry
1200071	Meshberger Bros. Stone Corp.	Linn Grove Quarry
1200072	Meshberger Bros. Stone Corp.	Pleasant Mills Quarry
1200102	Meshberger Bros. Stone Corp.	Portland Quarry
1200037	Meshberger Bros. Stone Corp.	Ridgeville Quarry
1200890	Mulzer Crushed Stone	Griffin Plant
1202129	Mulzer Crushed Stone	I-164 Pit
1202379	Mulzer Crushed Stone	Cape Sandy Underground
1202380	Mulzer Crushed Stone	Newburgh Yard
1201661	New Point Stone Co.	Derbyshire Quarry
1200038	New Point Stone Co.	Harris City Stone
1200089	New Point Stone Co.	Napoleon Quarry
1200115	New Point Stone Co.	St. Paul Stone Company
1200937	Nugent Sand Company	Columbus Plant
1202343	Old Prairie Products	Angola Plant
1202231	Rieth-Riley Construction	South Bend Aggregates
1200371	Robertson Crushed Stone	Milltown Plant
1200339	Rock Industries, Inc.	Peru Plant
1202322	Rogers Group, Inc.	Bloomington Underground
1202245	Rogers Group, Inc.	Crown Quarry
1200081	Rogers Group, Inc.	Mitchell Quarry
1200090	Rogers Group, Inc.	Newton County Quarry
1200109	Sellersburg Stone Co., Inc.	Sellersburg Quarry
1200755	Spray Sand & Gravel	Seymour Plant
1200123	Stone-Street Quarries, Inc.	Poe Quarry
1202075	Stone- Street Quarries, Inc.	Haynes Sand & Gravel
1202378	U.S. Aggregates, Inc.	Perkinsville Plant
1202270	U.S. Aggregates, Inc.	Richmond Plant #2
1200582	U.S. Aggregates, Inc.	Thorntown Plant #1
1202269	U.S. Aggregates, Inc.	Waverly Plant
1200624	Vulcan Materials Company	Bass Lake Sand & Gravel
1202107	Vulcan Materials Company	Daugherty Plant
1202279	Vulcan Materials Company	Eagle Creek Sand & Gravel
1200136	Vulcan Materials Company	Francesville Plant
1201009	Vulcan Materials Company	Hanna Sand & Gravel
1202134	Vulcan Materials Company	Lowell Plant
1200194	Vulcan Materials Company	Monon Plant
1202264	Vulcan Materials Company	Swisher Road Plant

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INDOT NEWS

State-Funded Contracts Include MBE and WBE Goals

INDOT has started including goals for Minority Business Enterprises (MBE) and Women's Business Enterprises (WBE) in contracts that are 100% state funded. The MBE and WBE goals on state-funded contracts implement rules adopted by the Indiana Department of Administration (IDOA) in 2003, which were required by legislation the Indiana General Assembly passed in 2001. These rules apply to public works construction contracts let by most state agencies.

MBE and WBE goals were initially included in one contract in the October 18 letting. Multiple contracts in the November 1 letting also include goals. INDOT will include MBE and WBE goals in state-funded contracts over \$200,000.

For those state-funded contracts that will include MBE and WBE goals, the 5% MBE and 3% WBE goal is shown on the proposal page of the INDOT contract. The contract proposal book will also include a two-page Minority and Women's Business Enterprises Participation Plan that will have to be completed and submitted with the bid. At this time, INDOT has not included any other details about the requirements for these goals in the contract documents.

Since this program is governed by rules adopted by IDOA, there are many differences between the MBE/WBE goals and the Disadvantaged Business Enterprise (DBE) goals that apply on many federal-aid INDOT contracts. The applicable statute (IC 4-13-16.5), state rules (25 IAC 5) and IDOA's policy for applying this program to construction are available on IDOA's website at <http://www.in.gov/idoa/mwbe/laws.html>.

The distinctions include:

Both the MBE and WBE goals must be attained. This is not a combined goal. The goals are based on a disparity study conducted by IDOA. While the goals of 5% for MBE and 3% for WBE are the same for most state construction contracts, some contracts involving limited types of construction activity could contain different goals.

The listing of MBE and WBE firms maintained by IDOA is different than the DBE directory maintained by INDOT. Separate lists, available on IDOA's website (<http://www.in.gov/idoa/mwbe/>), are maintained for MBE and WBE firms. The firms providing construction services are included in a massive list of firms offering a wide variety of services and products. While most DBE firms are also certified as either an MBE or WBE (or both), contractors shouldn't assume that a DBE firm is also certified by IDOA. There will also be construction firms certified under the IDOA program that are not DBEs. For example, a few firms graduated from the DBE program either because of the company size or net worth of the owner. These firms, however, can still be certified as MBE or WBE firms.

Some firms, such as one owned by a Hispanic woman, could be certified as both an MBE and WBE. A contractor using such a firm to achieve the contract goals must determine whether to apply the value of the work to be performed by that company toward either the MBE or WBE goal. The work cannot be applied towards both goals.

A letter of commitment must be provided by each MBE or WBE firm that is used to attain the goal. While the Participation Plan states that the commitment letters must be submitted with the bid, IDOA's policy is to accept the letters up to 24 hours after the bid opening. INDOT's policy regarding acceptance of the letters after the bid submittal time is uncertain. However, the contract documents specifically require that these letters be submitted with the bid. If the letters will be accepted after the bid date, these letters should be submitted to INDOT. Facsimile or electronic copies are acceptable. Only those bidders who are likely to be successful on the bid need submit such letters.

Contractors failing to achieve the goal must submit their good faith efforts with the bid, using the good faith efforts worksheet that is part of the Participation Plan. According to IDOA, the worksheet does not

continued - State-Funded Contracts Include MBE and WBE Goals

have to be completed if the goals are met. (A contractor achieving the MBE goal, but not the WBE goal, would only need to complete the worksheet to show efforts made to contact WBE firms.) Additional details can also be

attached.

The determination of good faith effort – and the granting of a full or partial waiver from the goals – will be handled by IDOA. While both the rules and IDOA policy state that a contractor must submit a waiver application, IDOA explained that completion of the worksheet triggers the waiver process. There is still some uncertainty about whether a contractor will have to actually complete a separate waiver form. The criteria used to review good faith efforts are detailed in IDOA's M/WBE Participation Policy for Construction Projects. One of the required steps is to ask IDOA for assistance in finding suitable subcontractors prior to bid submittal. This should be done by phoning (317) 232-3061. IDOA may follow up with MBE and WBE firms to verify that the bidder did contact them as shown on the good faith efforts worksheet.

IDOA's approach in the post-bid review of good faith efforts for contracts of other state agencies has been to assist contractors in making further efforts to gain additional MBE or WBE participation. This approach will also apply on INDOT contracts.

In addition to recognizing the use of MBEs and WBEs as subcontractors on the project or suppliers of materials used in construction, IDOA also recognizes utilization of MBE and WBE firms to provide supplies to that project even though the supplies aren't part of the construction. This could include fuel used to run construction equipment, portable toilets on the jobsite or even paper supplies used in the field office. While there is a 60% limitation on the purchase of supplies, IDOA is not sure how the limitation is to be applied.

While the Participation Plan states that the goals are to be met through the use of subcontractors, IDOA's rules broadly define a subcontractor to include any vendor that directly furnishes "services or supplies toward the contract."

While the Participation Plan states that the information required for each MBE and WBE is to include a contact person, and for suppliers a vendor's tax ID number, IDOA says these are not needed since there is no space on the form for that information. The required information is:

- *whether the firm is an MBE or WBE;
- *phone number;
- *company name;
- *scope of products/services;
- *utilization date; and
- *amount.

The utilization date can be an approximate time frame when the MBE or WBE will be active on the project.

IDOA's Minority and Women's Business Enterprises Division (MWBED) monitors projects on a random basis and requires reporting of payments to MBE and WBE firms for those contracts that are monitored. The contractor will be asked to provide this information if the contract will be monitored. IDOA will also investigate if a complaint has been filed. If the MWBED determines that a contractor is not complying with its Participation Plan, MWBED will notify the contractor within 10 days and identify the deficiencies and the required corrective action.

If IDOA determines that a contractor has not made a good faith effort to achieve the MBE and WBE goals, the contractor can appeal this decision. IDOA's appeal process is spelled out in its rules (25 IAC 5-7-7).

While the rules {25 IAC 5-7-3(a)(3)} require that goals are to be applied to change orders, it is unclear how or if this will be applied on INDOT contracts.

While there are many differences, both the MBE/WBE program and the DBE program require that the company being utilized perform a commercially useful function. This is viewed similarly under both programs.

IMAA Calendar

(As of December 2006)

December 5-6	NIOSH Underground Stone Seminar	Executive Inn, Louisville, KY
January 9	IMAA PIE Committee Meeting	10:00 am Association Office
January 30	IMAA Plant Operators Seminar	Marriott North Hotel, Indianapolis
January 30	IMAA TAC Committee Meeting	1:00 pm Marriott North,Hotel, Indianapolis
January 30	IMAA ESC Board Meeting	3:00 pm Marriott North Hotel, Indianapolis
Jan 31 – Feb 1	IMAA Winter Workshops	Marriott North Hotel, Indianapolis
Jan 31	IMAA Associates Annual Meeting	Marriott North Hotel, Indianapolis
February 7-9	HASTI Annual Conference	Indianapolis Convention Center
February 9-16	Indiana Construction Industry Conference	Westin Hotel Our Lucaya Resort, Grand Bahamas
February 14	IMAA Board of Directors Meeting	Westin Hotel, Grand Bahamas
February 14	IMAA Annual Meeting of Members	Westin Hotel, Grand Bahamas
February 20	IMAA Technical Committee Meeting	10:00 am Association Office
February 25-28	SME Annual Conference	Denver, CO
Feb 27- Mar 2	NSSGA Annual Meeting	San Francisco, CA
March 6-8	Purdue Road School	Purdue University, W. Lafayette, IN
March 13	IMAA PIE Committee Meeting	10:00 am Association Office
April 5	IMAA Plant Operators Committee Meeting	10:00 am Association Office
April 9-12	ICAR--15th Annual Symposium	Hyatt Regency, (downtown) Austin, TX
April 12	IMAA Environmental Committee Meeting	8:00 am Association Office
April 12	IMAA Safety Committee Meeting	10:00 am Association Office
April 19	IMAA Aglime Council Meeting	10:00 am Association Office
May 8	IMAA PIE Committee Meeting	10:00 am Association Office
May 24	IMAA Technical Committee Meeting	10:00 am Association Office
June 6-9	IMAA Grassroots Fly In	Courtyard by Marriott, Washington, DC
June 12	IMAA Plant Operators Committee	10:00 am Association Office
June 19-21	IMAA Teacher's Workshop	Conner Prairie, Fishers, IN
June 24-27	NMEC (National Minerals Education Conference)	Courtyard by Marriott Bloomington, IN
July 11	IMAA Aglime Council	10:00 am Association Office
July 19-22,	IMAA – APAI Summer Meeting	French Lick Resort & Spa
July 20	IMAA Board of Directors Meeting	French Lick Resort & Spa