

5440000- COMMENTS FROM INDUSTRY REVIEW

Kimberly Pearce
Trinity Highway Products

Comments

Trinity Highway Products received your request for input concerning proposed changes to specification no. 5440000, Vehicular Impact Attenuators. The request was forwarded to Trinity through our membership with Florida Transportation Builders' Association. Over the years we have heard a lot of industry discussion regarding this specification and appreciate the opportunity to share our ideas concerning a revision.

The old specification language essentially used the invoice price for the materials plus 20% to cover the costs of everything associated with repairing the attenuator. The suggested new language appears to be almost identical, except the additional 20% is now taken from the distributor's invoice price.

In preparing our response Trinity researched multiple other state agencies to see how this same item was paid, and we were unable to find a DOT that paid for attenuator repairs based on the invoice price of the parts. Most states require a breakdown of charges related to the repairs, with some version of the following itemizations:

1. **Labor.**
2. **Bond, Insurance, and Tax.**
3. **Materials.**
4. **Equipment.**

Each state varies on how much profit is allowed per item along with other nuances; however, most are consistent in handling compensation through Force Account or something similar that accurately accounts for itemized expenses related to the repairs. Attached are two such specifications; one from the neighboring state of Georgia along with another from Pennsylvania.

Most agencies have chosen a similar model to ensure checks and balances for fair payment of repair parts and necessary labor. The weakness in proposed specification no. 5440000 is that competitively priced parts leaves maintenance contractors less money to cover labor, insurance, equipment and incidental expenses. Thus, there would be incentive for contractors to buy systems that have higher priced parts over systems that require fewer parts and are less expensive per part to repair after an impact. The systems with most expensive parts would be chosen most often by the contractor.

It seems clear that the work underway to revise this specification is absolutely important to the fair and equitable use of Florida tax dollars, so we truly appreciate your attention to this matter. The recommendation of Trinity would be an immediate specification change where material prices only cover materials plus whatever fair markup is decided by

FDOT, but not covering other items such as labor, insurance or equipment. Those items should be itemized separately as is the common procedure in most other states.

Thank you for allowing our input. We appreciate the opportunity to work with FDOT.

Sincerely,

Kimberly Pearce

David Rich
Site-Safe Products, LLC
PROPOSED SPECIFICATIONS CHANGE: 5440000

Comments

A. Labor - Compensation will be made for payroll rates for each hour that the labor and foremen or others approved by the Engineer are actually engaged in the work. In no case will the rate of wages be less than the minimum shown in the Contract for a particular category. An additional 25% of the above sum will be paid for overhead, superintendence, profit, & small tools.

B. Insurance and Taxes - An additional 55% of the labor cost, excluding the 25% compensation provided for Labor will be paid as compensation for all insurance and taxes including the cost of premiums on public liability and workers compensation insurance, Social Security, and unemployment insurance taxes.

C. Materials - Compensation will be made for materials associated with the work based on actual delivered invoice costs, less any discount. An additional 25% of this sum will be paid as compensation for overhead and profit.

D. Equipment - Payment will be made for the established equipment hourly rates for each hour that the equipment is involved in the work. An additional 15% will be paid as compensation for overhead and profit not included in the rates.

Transportation cost for mobilizing equipment will be included if the equipment is mobilized from an off-site location.

If a rate has not been established for a particular piece of equipment in the *Rental Blue Book*, the Engineer will allow a reasonable hourly rate, as agreed upon in writing before work is begun. This price will include operating costs.
