

# **RICHLAND COUNTY COUNCIL DEVELOPMENT & SERVICES COMMITTEE**

Bernice G. Scott  
District 10

Joyce Dickerson  
District 2

Greg Pearce  
District 6

Damon Jeter, Chair  
District 3

Doris Corley  
District 1

*April 25, 2006  
5:00 PM*

**Richland County Council Chambers  
County Administration Building  
2020 Hampton Street**

## **Call to Order**

**Approval of Minutes** – March 28, 2006: Regular Session Meeting [Pages 3 – 4]

## **Adoption of Agenda**

## **Presentations**

### **A. Energy Conservation:**

Mr. Larry Landry

### **B. Richland County Greenways:**

Mr. Ken Driggers, Executive Director, Palmetto Conservation Foundation

## **I. Items for Action**

### **A. Approval of Construction Contract with Sloan Construction Co. for the Rehabilitation of Jim Hamilton Boulevard**

[Pages 5 – 6]

### **B. Ordinance Amending Chapter 17, Article II, Section 17-10 (Parking in Residential Zones of the County) to include restrictions on the parking of inoperable vehicles and trailers in residential zoning districts for more than 30 consecutive days**

[Pages 7 – 11]

### **C. Ordinance Prohibiting Careless Driving and Driving Across Property to Avoid a Traffic Control Device**

[Pages 12 – 15]

**D. Broad River Regional Wastewater Treatment Plant Construction**  
[Pages 16 – 42]

**II. Items for Discussion / Information**

**A. Update on Road Warranty Task Force**

**III. Items Pending Analysis**

**A. Town of Eastover Sewer Collection System**

**Adjournment**

Staffed by: Joe Cronin

**RICHLAND COUNTY COUNCIL  
DEVELOPMENT AND SERVICES COMMITTEE**

**March 28, 2006**

**5:00 PM**



*In accordance with the Freedom of Information Act, a copy of the agenda was sent to radio and TV stations, newspapers, persons requesting notification, and was posted on the bulletin board located in the lobby of the County Administration Building.*

---

**Members Present:**

Member: Bernice G. Scott  
Member: Joyce Dickerson  
Member: L. Gregory Pearce, Jr.

Absent: Doris M. Corley  
Damon Jeter

**Others Present:** Joseph McEachern, Valerie Hutchinson, Paul Livingston, Milton Pope, Michelle Cannon-Finch, Tony McDonald, Roxanne Matthews, Sherry Wright-Moore, Joe Cronin, Larry Smith, Amelia Linder, Andy Metts, Monique Walters, Jennifer Dowden, Michelle Onley

**CALL TO ORDER**

The meeting was called to order at approximately 5:00 p.m.

**APPROVAL OF MINUTES**

**February 28, 2006 (Regular Session)** – Mr. Pearce moved, seconded by Ms. Dickerson, to approve the minutes as submitted. The vote in favor was unanimous.

**ADOPTION OF AGENDA**

Mr. Pope stated that p. 15 needs to be removed from the agenda. Mr. Pearce moved, seconded by Ms. Dickerson, to approve the agenda as amended. The vote in favor was unanimous.

**I. ITEMS FOR ACTION**

**RICHLAND COUNTY COUNCIL  
DEVELOPMENT AND SERVICES COMMITTEE  
March 28, 2006  
Page Two**

**Town of Eastover Sewer Collection System Operation** — Ms. Dickerson moved, seconded by Mr. Pearce, to defer this item. A discussion took place. The vote in favor was unanimous.

**Approval of Close-Out Change Order for Broad River Heights Sewer Project** – Ms. Dickerson moved, seconded by Mr. Pearce, to forward this item to Council with a recommendation for approval. The vote in favor was unanimous.

**Ordinance Amending Chapter 17, Article II, Section 17-10 (Parking in Residential Zones of the County) to include restrictions on the parking of inoperable vehicles and trailers in residential zoning districts for more than 30 consecutive days** – Ms. Dickerson moved, seconded by Ms. Scott, to defer this item to the April 25<sup>th</sup> D&S meeting. The vote was in favor.

**II. ITEMS FOR DISCUSSION/INFORMATION**

**Farmer's Market Update** – This item was deferred.

**Update on \$35,000 Allocated for Richland County Greenway Project** – This item was deferred.

**Lobbyist RFQ Update** – Mr. Pope briefed Council regarding this item.

**III. ITEMS PENDING ANALYSIS**

**Review of Sign Ordinance** – This item is still pending.

**Review of Rules Regarding the Placement of Satellite Dishes in Front Yards** – This item is still pending.

**ADJOURNMENT**

The meeting adjourned at approximately 5:08 p.m.

Submitted by,

Damon Jeter  
Chair

The minutes were transcribed by Michelle M. Onley

## **Richland County Council Request of Action**

**Subject: Approval of Construction Contract with Sloan Construction Co. for the Rehabilitation of Jim Hamilton Boulevard**

### **A. Purpose**

County Council is requested to approve the award of a construction contract to the lowest responsible, responsive bidder for the rehabilitation of Jim Hamilton Boulevard. This contractor is Sloan Construction Co. from Columbia.

### **B. Background / Discussion**

Jim Hamilton Boulevard is a county maintained road within the City of Columbia. After the original construction of the road, the County made efforts to deed the road over to the City. It was determined in the last couple of years that some information was not available during this process and the deed was not recorded.

Due to the dilapidated condition of the road and the improvements at Columbia Owens Downtown Airport, it was determined that the road needed to be repaired. The Department of Public Works (DPW) selected The LPA Group, Inc. (LPA) as the engineer for the project and began looking for ways to repair the road.

LPA completed the design and specifications for the Jim Hamilton Boulevard Rehabilitation Project. The project will include reclamation of the existing asphalt and subgrade for the entire road and applying an asphalt emulsion to strengthen the subgrade. The road will then be regraded and completely resurfaced.

The project was advertised on February 12, 2006 for a period of 33 days. A pre-bid meeting was held on February 28, 2006, and bids for the project were opened on March 16, 2006. LPA has reviewed the bids and provided a recommendation to award the contract to Sloan Construction Company.

### **C. Financial Impact**

The Department of Public Works (DPW) requested funding for the Jim Hamilton Boulevard Rehabilitation Project from the County Transportation Committee (CTC) on January 24, 2006. DPW requested to use approximately \$600,000 of Richland County's \$1,400,000 yearly resurfacing allocation for the rehabilitation of Jim Hamilton Boulevard. The remaining \$800,000 was to be used for the 2006 Resurfacing Program. The CTC approved the request for \$600,000 for the rehabilitation of Jim Hamilton Boulevard. However, the low bid was \$408,327.85. We are requesting Council to approve the contract with Sloan, in this amount, with an additional 15 % set aside for contingencies for a total request of \$469,577.02.

**D. Alternatives**

There are two alternatives that exist for this project and are as follows:

1. Approve the award of contract to the lowest responsible, responsive bidder, Sloan Construction Co.
2. Do not approve the award of contract to the lowest responsible, responsive bidder, Sloan Construction Co., and forfeit the opportunity to rehabilitate Jim Hamilton Boulevard at this time.

**E. Recommendation**

It is recommended that County Council approve the award of contract to Sloan Construction Company.

**Recommended by:** John Hixon    **Department:** Department of Public Works    **Date:** 04/10/2006

**F. Reviews**

**Finance**

Reviewed by: Daniel Driggers

Date: 4/14/06

Recommend Council approval

Recommend Council denial

Comments regarding recommendation: Based on Public Works recommendation.

**Procurement**

Reviewed by: Rodolfo Callwood

Date: 4/14/06

Recommend Council approval

Recommend Council denial

Comments regarding recommendation:

**Legal**

Reviewed by: Amelia Linder

Date: 4/14/06

Recommend Council approval

Recommend Council denial

Comments regarding recommendation:

**Administration**

Reviewed by: Tony McDonald

Date: 4/14/06

Recommend Council approval

Recommend Council denial

Comments regarding recommendation: Recommend award of the contract to Sloan Construction Company in the amount of \$469,577.02. Funding is available from the County's C Fund allotment for the project.

## **Richland County Council Request of Action**

**Subject: Ordinance Amending Chapter 17, Article II, Section 17-10 (Parking in Residential Zones of the County) to include restrictions on the parking of inoperable vehicles and trailers in residential zoning districts for more than 30 consecutive days.**

### **A. Purpose**

Council is requested to adopt an ordinance amending Chapter 17, Article II, Section 17-10 (Parking in Residential Zones of the County) to include restrictions on the parking of inoperable vehicles and trailers in residential zoning districts for more than 30 consecutive days.

### **B. Background / Discussion**

Currently, the Richland County Code of Ordinances requires that “all motor vehicles and/or trailers without a valid state issued license plate permitting operation on public roads and highways, which are stored, parked, or located on a lot in any zoning district in the unincorporated areas of the county, except for those parcels that are five (5) acres or greater in the (RU) Rural zoning district, are required to be kept in a garage, carport, or protected from the elements by a fitted cover; provided, however, in the case of a vehicle protected from the elements by a cover, such covered vehicle shall not be visible from the public right-of-way.”

During a previous Council meeting, Councilman Greg Pearce stated that there was a problem with people licensing inoperable automobiles and storing them on property visible from the public right-of-way. Since the current ordinance dealt only with unlicensed vehicles, the Legal Department drafted the following language to amend the ordinance:

d. Any motor vehicle and/or trailer that is not capable of operating in accordance with South Carolina law and/or capable of moving under its own power (even if it has a valid state-issued license plate permitting operation on public roads and highways) shall not be stored, parked, or located on a lot in any residential zoning district in the unincorporated areas of the county for more than a single period of thirty (30) consecutive days during any calendar year unless it is kept in an enclosed garage, in a carport attached to the residence, or protected from the elements by a fitted cover; provided, however, in the case of a vehicle protected from the elements by a cover, such vehicle shall not be visible from the public right-of-way.

### **C. Financial Impact**

If approved, this amendment would not have any financial impact to the County upfront; however the cost of enforcing the ordinance would fall upon the Sheriff's department, as stipulated in the ordinance.

**D. Alternatives**

1. Adopt the amendment to prohibit parking of inoperable vehicles in residential zones of the county for more than 30 consecutive days.
2. Do not adopt the ordinance to prohibit parking of inoperable vehicles in residential zones of the county for more than 30 consecutive days.

**E. Recommendation**

This request is at the discretion of County Council.

**Recommended by:** Staff                      **Department:** Administration                      **Date:** 3/14/2006

**F. Reviews**

**Finance**

Reviewed by: Daniel Driggers                      Date: 3/17/06  
 Recommend Council approval                       Recommend Council denial  
Comments regarding recommendation: No recommendation

**Legal**

Reviewed by: Amelia Linder                      Date: 3/21/06  
 Recommend Council approval                       Recommend Council denial  
Comments regarding recommendation: The attached ordinance was drafted at the request of several Council members, although further discussion may be needed if this proposed language does not accomplish what its initiators intended. In addition, there may be problems enforcing this ordinance in all situations that involve an inoperable vehicle.

**Administration**

Reviewed by: Tony McDonald                      Date: 3/23/06  
 Recommend Council approval                       Recommend Council denial  
Comments regarding recommendation: The proposed amendment appears to close a loophole in the existing ordinance and is, therefore, recommended for approval, assuming the draft amendment meets the specifications of those Council Members who initiated the amendment.



**STATE OF SOUTH CAROLINA  
COUNTY COUNCIL FOR RICHLAND COUNTY  
ORDINANCE NO. \_\_\_-06HR**

AN ORDINANCE AMENDING THE RICHLAND COUNTY CODE OF ORDINANCES; CHAPTER 17, MOTOR VEHICLES AND TRAFFIC; ARTICLE II, GENERAL TRAFFIC AND PARKING REGULATIONS; SECTION 17-10, PARKING IN RESIDENTIAL ZONES OF THE COUNTY.

Pursuant to the authority granted by the Constitution and the General Assembly of the State of South Carolina, BE IT ENACTED BY THE COUNTY COUNCIL FOR RICHLAND COUNTY:

SECTION I. The Richland County Code of Ordinances; Chapter 17, Motor Vehicles and Traffic; Article II, General Traffic and Parking Regulations; Section 17-10, Parking in Residential Zones of the County; is hereby amended to read as follows:

**Section 17-10. Parking in residential zones of the county.**

a. It shall be unlawful for a truck tractor, a semi-trailer having more than two (2) axles, or a trailer having more than two (2) axles to be parked on any public street, road, right-of-way or as otherwise prohibited by the Richland County Code of Ordinances in the unincorporated portions of the county which are or hereafter shall be designated as Rural Residential, Single-Family Residential, Manufactured Home, or General Residential under the Richland County Zoning Ordinance and the "Zoning Map of Unincorporated Richland County", as amended. For the purpose of this paragraph, the following definitions shall apply:

1. *Truck tractor* means every motor vehicle designed and used primarily for drawing other vehicles and not so constructed as to carry a load other than a part of the weight of the vehicle and the load so drawn.
2. *Semi-trailer* means every vehicle having more than two (2) axles, with or without motive power, other than a pole trailer, designed for carrying persons or property and for being drawn by a motor vehicle and so constructed that some part of its weight and that of its load rests upon or is carried by another vehicle.
3. *Trailer* means every vehicle having more than two (2) axles, with or without motive power, other than a pole trailer, designed for carrying persons or property and for being drawn by a motor vehicle and so constructed that no part of its weight rests upon the towing vehicle.

b. It shall be unlawful for an automobile, motor vehicle, or wheeled conveyance of any kind required by law to be licensed that is unlicensed, or is displaying an expired or invalid licenses to be parked on any public street, road, right-of-way or as otherwise

prohibited by the Richland County Code of Ordinances in the unincorporated portions of the county which are or hereafter shall be designated as Rural Residential, Single-Family Residential, Manufactured Home, or General Multi-Family Residential under the Richland County Zoning Ordinance and the “Zoning Map of Unincorporated Richland County”, as amended.

c. All motor vehicles and/or trailers without a valid state issued license plate permitting operation on public roads and highways, which are stored, parked, or located on a lot in any zoning district in the unincorporated areas of the county, except for those parcels that are five (5) acres or greater in the (RU) Rural zoning district, are required to be kept in a garage, carport, or protected from the elements by a fitted cover; provided, however, in the case of a vehicle protected from the elements by a cover, such covered vehicle shall not be visible from the public right-of-way. Licensed automobile dealerships, persons licensed to conduct businesses involving storage and sale of junk and scrap, trailers utilized as temporary structures in conjunction with construction activities, and vehicles used in agricultural operations and which are not operated on the public roads and highways are exempt.

d. Any motor vehicle and/or trailer that is not capable of operating in accordance with South Carolina law and/or capable of moving under its own power (even if it has a valid state-issued license plate permitting operation on public roads and highways) shall not be stored, parked, or located on a lot in any residential zoning district in the unincorporated areas of the county for more than a single period of thirty (30) consecutive days during any calendar year unless it is kept in an enclosed garage, in a carport attached to the residence, or protected from the elements by a fitted cover; provided, however, in the case of a vehicle protected from the elements by a cover, such vehicle shall not be visible from the public right-of-way.

~~d.~~ e. Penalties: Unless otherwise prescribed by law, any owner and/or operator of a motor vehicle and/or trailer violating the provisions of this Section shall be deemed guilty of a misdemeanor. In addition, any owner and/or occupant of the residential property on which a motor vehicle and/or trailer is parked in violation of this Section shall be deemed guilty of a misdemeanor.

e. f. Administration and enforcement: The sheriff of the county shall be authorized to enforce the provisions of this Section, and may engage a towing service to remove any vehicle parked in violation of these regulations, provided the cost of towing services shall be charged to the registered owner of any vehicle so removed.

SECTION II. Severability. If any section, subsection, or clause of this ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections, and clauses shall not be affected thereby.

SECTION III. Conflicting Ordinances Repealed. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION IV. Effective Date. This ordinance shall be effective from and after \_\_\_\_\_, 2006.

RICHLAND COUNTY COUNCIL

BY: \_\_\_\_\_  
Anthony G. Mizzell, Chair

ATTEST THIS THE \_\_\_\_ DAY

OF \_\_\_\_\_, 2006

\_\_\_\_\_  
Michielle R. Cannon-Finch  
Clerk of Council

RICHLAND COUNTY ATTORNEY'S OFFICE

\_\_\_\_\_  
Approved As To LEGAL Form Only  
No Opinion Rendered As To Content

First Reading:  
Second Reading:  
Public Hearing:  
Third Reading:

## **Richland County Council Request of Action**

**Subject:** Ordinance Prohibiting Careless Driving and Driving Across Property to Avoid a Traffic Control Device

### **A. Purpose**

Council is requested to amend the County Code of Ordinance; Chapter 17, Motor Vehicles and Traffic; Article II, General Traffic and Parking Regulations; so as to prohibit "Careless Driving and Driving Across Property to Avoid a Traffic Control Device."

### **B. Background / Discussion**

Richland County continues to grow and the traffic problems associated with that growth are becoming more pronounced. The Sheriff's Department is requesting this amendment in order to provide Deputies with a tool by which they can address those problems created by drivers who operate their vehicles in a careless manner or who circumvent traffic control devices by crossing driveways or the parking lots of commercial businesses to avoid traffic lights or stop signs, creating an unexpected hazard for other motorists. It is commonly accepted by law enforcement that careless drivers and speed are the major contributing factors in vehicular accidents. This is the first such request to allow the Sheriff a measure of control over these types of drivers, by providing a less stringent enforcement tool than expressed in the State Statute governing Traffic Regulations.

Other local governments such as Berkeley County, Charleston County and the City of Goose Creek (to address similar problems created by growth and increased traffic) have enacted this type of ordinance.

### **C. Financial Impact**

There will be no negative financial impact to the County. The Sheriff has requested that Administration provide County Summons Books as outlined in Sec 1-13 of the Code. The cost of the books should be offset through the payment of court costs and fines.

### **D. Alternatives**

List the alternatives to the situation. There will always be at least two alternatives:

1. Approve the request to amend the Ordinance and provide a tool to control careless vehicle operation.
2. Do not approve

**E. Recommendation**

State which alternative you recommend. Be sure to include your name, department, and date. For example:

It is recommended by the Sheriff's Department that County Council approve this amendment.

**Recommended by:** Hubert F. Harrell, Chief Deputy **Department:** Sheriff **Date:** April 6, 2006

**F. Reviews**

**Finance**

Reviewed by: Daniel Driggers Date: 4/14/06

- Recommend Council approval  Recommend Council denial

Comments regarding recommendation: There are at least two issues to consider; adoption of ordinance and funding for books. The consideration of the ordinance is a policy decision for Council therefore no recommendation is made. The cost of the summons books are not specified so it is unclear of the impact. If the ordinance is approved we would recommend that the required level of funding and the source be identified prior to approval regardless of who will provide. Additionally if the ordinance will create an ongoing need for supplies (books) that those cost be included in the appropriate place for FY 07 budget.

**Legal**

Reviewed by: Amelia Linder Date: 4/14/06

- Recommend Council approval  Recommend Council denial

Comments regarding recommendation: Both alternatives appear to be legally sufficient; therefore, this request is at the discretion of County Council.

**Administration**

Reviewed by: J. Milton Pope Date: 4/14/06

- Recommend Council approval  Recommend Council denial

Comments regarding recommendation: Recommend approval...if Council approves the cost of Ordinance Summons books should be absorbed within the Sheriff's Departments existing office supply budget account.

**STATE OF SOUTH CAROLINA  
COUNTY COUNCIL FOR RICHLAND COUNTY  
ORDINANCE NO. \_\_\_-06HR**

AN ORDINANCE AMENDING THE RICHLAND COUNTY CODE OF ORDINANCES; CHAPTER 17, MOTOR VEHICLES AND TRAFFIC; ARTICLE II, GENERAL TRAFFIC AND PARKING REGULATIONS; SO AS TO PROHIBIT CARELESS DRIVING AND DRIVING ACROSS PROPERTY TO AVOID A TRAFFIC CONTROL DEVICE.

Pursuant to the authority granted by the Constitution and the General Assembly of the State of South Carolina, BE IT ENACTED BY THE COUNTY COUNCIL FOR RICHLAND COUNTY:

SECTION I. The Richland County Code of Ordinances; Chapter 17, Motor Vehicles and Traffic; Article II, General Traffic and Parking Regulations; is hereby amended by the addition of two new sections, to read as follows:

**Sec. 17-11. Careless driving.**

(a) It shall be unlawful for any person to operate any vehicle without care and caution, without full regard for the safety of persons or property, or when the vehicle or its appliances are not in proper or safe condition.

(b) Any person who violates this section shall, upon conviction thereof, be fined not less than \$25.00 and not more than \$200.00.

(c) This offense shall in no way whatsoever be used as an alternative or lesser charge for driving under the influence of intoxicants, driving under suspension of driver's license, passing a stopped school bus, or reckless driving, or to contravene any state statutes which impose criminal liability.

**Sec. 17-12. Driving across public or private property in order to evade traffic control device.**

(a) It shall be unlawful for any person operating a motor vehicle to use public or private property, not recognized as a roadway or thoroughfare, with the intention or purpose of avoiding a traffic signal or sign.

(b) Any person who violates this section shall be deemed guilty of a misdemeanor, and upon conviction shall be fined not more than \$500.00 or be imprisoned for not more than 30 days.

SECTION II. The Richland County Code of Ordinances; Chapter 17, Motor Vehicles and Traffic; Article II, General Traffic and Parking Regulations; Secs. 17-11--17-17, Reserved; is hereby amended to read as follows:

**Secs. 17-13--17-17. Reserved.**

SECTION III. Severability. If any section, subsection, or clause of this ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections, and clauses shall not be affected thereby.

SECTION IV. Conflicting Ordinances Repealed. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION V. Effective Date. This ordinance shall be effective from and after \_\_\_\_\_, 2006.

RICHLAND COUNTY COUNCIL

BY: \_\_\_\_\_  
Anthony G. Mizzell, Chair

ATTEST THIS THE \_\_\_\_\_ DAY

OF \_\_\_\_\_, 2006

\_\_\_\_\_  
Michielle R. Cannon-Finch  
Clerk of Council

RICHLAND COUNTY ATTORNEY'S OFFICE

\_\_\_\_\_  
Approved As To LEGAL Form Only  
No Opinion Rendered As To Content

First Reading:  
Second Reading:  
Public Hearing:  
Third Reading:

## **Richland County Council Request of Action**

**Subject:** Broad River Regional Wastewater Treatment Plant Construction

### **A. Purpose**

The purpose of this report is to obtain County Council direction on how to proceed with the construction of the Broad River Regional Wastewater Treatment Plant.

### **B. Background**

In May 2000, County Council authorized the staff to proceed with the upgrade of the Broad River Regional Wastewater Treatment Plant from a 2.5 million gallon per day facility to a 6 million gallon per day facility. Power Engineering Company was hired as a consultant to review upgrade options and to produce construction plans once the best treatment process was selected. Approximately two years of research and investigation was conducted by both Power Engineering and the staff of the Utilities Department in determining the best treatment process available to meet the needs of the Broad River sewer service area. Numerous wastewater treatment plant site visits were made and many hours of discussions were held with operators of these various types of treatment processes before a treatment process was selected. It was finally agreed that a "Sequencing Batch Reactor" (SBR) was the treatment process that appeared most economical that would produce the quality of treatment required for this wastewater treatment plant.

Once the treatment process was selected, work began on preparing construction plans and specifications. Numerous process equipment suppliers offered various types of equipment, all of which have advantages and disadvantages over the competition. Each was evaluated by considering initial cost, ability to meet discharge limits, serviceability, operator satisfaction and long term operating cost. The final design was prepared based on the engineer's opinion of the best suited equipment, but allows for competition in the bid process.

In April 2003, the engineer provided a cost estimate of \$15,000,000 to construct the facility. In September 2003, bonds were issued in the amount of \$15,500,000 for this project. Once the bonds were issued, the purchase of the land was finalized and construction and air quality permits were obtained. During 2004, the engineer worked with the Procurement Department to pre-qualify construction companies to bid on the project. In June 2005, the project was advertised for bids.

During the bid process, a pre-bid meeting was held with the potential bidders. Several points of clarification were requested by the contractors. The engineer has supplied the requested information through a series of addendums to the bid documents. The engineer has estimated a cost savings to the County of approximately \$460,000 would result from the addendums.



As the bid process progressed, several events around the world had a dramatic affect on the construction industry. Major construction projects and increased industrial activity in China and Russia, and Hurricanes Katrina, Rita, and Wilma clean-up and reconstruction in the United States put concrete and steel in short supply. Because of the high demand and short supply, prices for these items have skyrocketed. Recent SCDOT construction project bid tabulations, although not specifically intended for treatment plant work, at least give indication of concrete and steel costs over the last few years on similar work. For example, in January 2004, United Contractors, Inc. bid installed concrete at \$505/CY and steel at \$0.50/LB. The same contractor on a similar project in January 2006 bid \$900/CY for concrete and \$0.80/LB for steel. These two items, which are a major part of this project, represent an 80% increase in concrete costs and a 60% increase in steel. With an estimated 10,000 cubic yards of concrete on this project, the cost increase would be nearly \$4,000,000 alone. In addition to concrete and steel, petroleum prices have also increased dramatically. These increased costs affect all labor and material rates associated with the construction project.

Provided the information above on dramatic price increases combined with the limited budget of \$15,500,000.00, it was decided to suspend the bid process and conduct a value engineering review of the current design. American Engineering Company was hired to review the current design and to make recommendations to lower the initial construction cost. The report has been completed and provided to the design engineer for review. The report contained some recommended changes that will be incorporated into the design documents.

### **C. Discussion**

Based on the current design, the design engineer estimates the WWTP construction cost to be approximately \$25,750,000.00. This plant design includes a four basin SBR design to treat 6 million gallons per day, a piping network capable of handling 15 million gallons per day (the 208 plan projected capacity), a sludge drying system (the County owns the dryer equipment and only a building is required), and an operations building that houses laboratory facilities for the WWTP operation and the County's stormwater testing programs. This design will meet the current DHEC treatment requirements and will allow the plant to be easily expanded in the future.

Based on information provided in the American Engineering Report, the design engineer has offered an option to decrease initial construction cost (Option 1). This option would construct the 6 million gallon per day SBR, but would eliminate the provisions for future growth. Specific items include downsizing pipe sizes, the headworks structure, the sludge dewatering building and completely eliminating the sludge dryer system and building. Also, the new emergency holding pond would be eliminated and the existing lagoon would be utilized. The estimated savings would be approximately \$1,694,390.00, but additional engineer design cost and escalating construction cost would add to the project to bring this option's estimated construction cost to \$24,310,284.00.

A second option to decrease initial construction cost was also offered by the engineer (Option 2). This option is the same as the option described above with the exception of using steel tanks. It should be noted that although steel tanks would lower the initial costs slightly, the savings would be reduced by future increased operation and maintenance costs. This option's estimated construction cost is \$22,286,045.00. Both of these options will require additional engineering design costs and would add time to the project schedule for design revisions and permit changes that could possibly result in increased inflation costs.

**D. Financial Impact**

As a result of extreme price increases for both labor and material in the construction industry, the estimated construction cost for all options presented are considerably higher than was planned for in 2003 when the bonds were issued. Based on the current cost estimate, an additional \$10,240,000.00 is needed to fund the project. Additional bonds can be issued to cover these increased costs. The debt service payment would be paid by the users of the system through a combination of user fees and tap fees. Below is a comparison of present user fees and tap fees to those required if additional bonds are issued.

**Current design**

Estimated Construction Cost	25,740,000.00
Available Funds	<u>15,500,000.00</u>
Additional Funds Required	10,240,000.00

\$10,240,000.00 bond issue with payoff over 20 years at 4% interest  
 Annual debt service payment = \$753,477.00

Assume 8100 existing customers

Assume 450 new customers connect annually

**Funding Option A**

User fees to be increased to cover all of the debt service payment.

$$\$753,477.00 / 8100 \text{ cust.} / 12 \text{ mo.} = \$7.75 / \text{mo. Increase}$$

$$\$29.80 + \$7.75 = \$37.55 / \text{mo.}$$

**Funding Option B**

A \$500.00 impact fee added to new customer tap fees and user fees to be increase to cover the balance of debt service payment.

$$450 \times \$500.00 = \$225,000.00$$

$$\$753,477.00 - \$225,000.00 = \$528,477.00$$

$$\$528,477.00 / 8100 \text{ cust.} / 12 \text{ mo.} = \$5.43 / \text{mo. Increase}$$

$$\$29.80 + \$5.43 = \$ 35.23 / \text{mo.}$$

Funding Option C

Same as #2 but with \$100,000.00 of Utilities Department construction budget being used for payment of debt service.

$$\$528,477.00 - \$100,000.00 = \$428,477.00$$

$$\$428,477.00 / 8100 \text{ cust.} / 12 \text{ mo.} = \$4.71 / \text{mo. Increase.}$$

$$\$29.80 + \$4.71 = \$34.51 / \text{mo.}$$

**Design Proposed in Option 1 above:**

Estimated Construction Cost	24,310,284.00
Available Funds	<u>15,500,000.00</u>
Additional Funds Required	8,810,284.00

\$8,810,284.00 bond issue with payoff over 20 years at 4% interest  
Annual debt service payment = \$648,276.00

Assume 8100 existing customers

Assume 450 new customers connect annually

Funding Option A

User fees to be increased to cover all of the debt service payment.

$$\$648,276.00 / 8100 \text{ cust.} / 12 \text{ mo.} = \$6.67 / \text{mo. Increase}$$

$$\$29.80 + \$6.67 = \$36.47 / \text{mo.}$$

Funding Option B

A \$500.00 impact fee added to new customer tap fees and user fees to be increase to cover the balance of debt service payment.

$$450 \times \$500.00 = \$225,000.00$$

$$\$648,276.00 - \$225,000.00 = \$423,276.00$$

$$\$423,276.00 / 8100 \text{ cust.} / 12 \text{ mo.} = \$4.35 / \text{mo. Increase}$$

$$\$29.80 + \$4.35 = \$ 34.15 / \text{mo.}$$

Funding Option C

Same as #2 but with \$100,000.00 of Utilities Department construction budget being used for payment of debt service.

$$\$423,276.00 - \$100,000.00 = \$323,276.00$$

$\$323,276.00 / 8100 \text{ cust.} / 12 \text{ mo.} = \$3.32 / \text{mo. Increase.}$

$\$29.80 + \$3.32 = \$33.12 / \text{mo.}$

**Design Proposed in Option 2 above:**

Estimated Construction Cost	22,286,045.00
Available Funds	<u>15,500,000.00</u>
Additional Funds Required	6,786,045.00

$\$6,786,045.00$  bond issue with payoff over 20 years at 4% interest  
Annual debt service payment =  $\$499,329.00$

Assume 8100 existing customers

Assume 450 new customers connect annually

**Funding Option A**

User fees to be increased to cover all of the debt service payment.

$\$499,329.00 / 8100 \text{ cust.} / 12 \text{ mo.} = \$5.13 / \text{mo. Increase}$

$\$29.80 + \$5.13 = \$34.93 / \text{mo.}$

**Funding Option B**

A  $\$500.00$  impact fee added to new customer tap fees and user fees to be increase to cover the balance of debt service payment.

$450 \times \$500.00 = \$225,000.00$

$\$499,329.00 - \$225,000.00 = \$274,329.00$

$\$274,329.00 / 8100 \text{ cust.} / 12 \text{ mo.} = \$2.82 / \text{mo. Increase}$

$\$29.80 + \$2.82 = \$ 32.62 / \text{mo.}$

**Funding Option C**

Same as #2 but with  $\$100,000.00$  of Utilities Department construction budget being used for payment of debt service.

$\$274,329.00 - \$100,000.00 = \$174,329.00$

$\$174,329.00 / 8100 \text{ cust.} / 12 \text{ mo.} = \$1.79 / \text{mo. Increase.}$

$\$29.80 + \$1.79 = \$31.59 / \text{mo.}$

The above comparison shows impacts on sewer tap fees and user fees if bid prices are similar to the construction cost estimates. The only way to know for sure of what the construction cost will be is to bid the project.

Our current sewer tap fee is \$2,200.00 and our monthly user fee is \$29.80. These rates can be compared to other sewer service providers as shown on the attached "Wastewater Rate Comparison" sheet.

**E. Recommendation**

It is recommended that the County hire a construction management company to oversee the bidding and construction phase of this project. The construction management team should review the current design documents and recommend any changes to the design engineer that would reduce the likelihood of change orders that would negatively impact the project. Funding for the construction manager will be provided through a combination of operating funds and existing bond proceeds.

It is also recommended that the project be re-advertised for bid in accordance with Richland County Procurement Code, as is currently designed. Once bids are received, bond anticipation notes can be issued to obtain the additional funds to proceed with construction. Once the construction costs are determined through the bid process, a permanent funding plan can be developed which will include any changes that may be required in sewer tap fees and user fees.

Based on the estimated cost of the current design, it is recommended that funding option C be adopted which would provide the least impact to the customers by increasing the user fees for existing customers by \$4.71 per month and by adding a \$500.00 impact fee to the connection cost for future customers. Option C establishes the monthly fee at \$34.50 per month which is less than the average of \$37.50 per month for other sewer service providers in the area. Also, \$100,000.00 per year from the Utilities Department's capital improvement budget can be redirected to cover a portion of the debt service payment. This combination of user fees, impact fees and existing fund balance will provide the least impact on existing and future customers.

**Recommended by:** Andy H. Metts      **Department:** Utilities      **Date** 3/10/06

**F. Reviews**

**Finance**

Reviewed by: Daniel Driggers      Date: 4/18/06  
✓ Recommend Council approval       Recommend Council denial  
Comments regarding recommendation: Based on review of information with Utilities Director. All funding options are appropriate for project.

**Procurement**

Reviewed by: Rodolfo Callwood      Date: 4/19/06  
✓ Recommend Council approval       Recommend Council denial  
Comments regarding recommendation:

**Legal**

Reviewed by: Amelia Linder

Date: 4/19/06

Recommend Council approval

Recommend Council denial

Comments regarding recommendation: This request appears to be at the discretion of Council. In addition, Council may wish to schedule a work session to further discuss the complexities and details of the proposed project.

**Administration**

Reviewed by: Tony McDonald

Date: 4/21/06

Recommend Council approval

Recommend Council denial

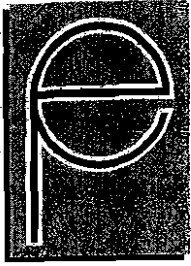
Comments regarding recommendation: Recommend approval of the issuance of an additional \$10,240,000 in bonds, with the debt service to be paid according to financing option C as described above. Because this is a very complex issue, it is further recommended that the Council schedule a work session between first and second reading to discuss the details of this recommendation.

Attachments on pages 23 – 42.

## Wastewater Rate Comparisons

<u>Service Provider</u>	<u>Sewer Tap Fee</u> 3/7/06	<u>Monthly User Fee</u> 4/22/03	<u>Monthly User Fee</u> 3/7/06
Richland County – Broad River Regional Sewer System	\$2200	\$25.00	\$29.80
Carolina Water Service, Inc.	\$700	\$30.33	\$37.76
Town of Chapin	\$2200	\$26.00	\$28.00
Palmetto Utilities	\$1050	\$29.50	\$29.50
Lexington County Water & Sewer Authority	\$2005	\$28.48	\$40.86
City of Columbia (stand alone sewer rate)	\$800	\$42.12	\$48.40
Town of Lexington (based on 6000 gal./mo.)	\$2500	\$42.53	\$47.65
Batesburg-Leesville (based on 6000 gal./mo.)	\$925	\$41.22	\$42.63
City of Cayce (based on 6000 gal./mo.)	\$2400	\$17.86	\$31.26
Newberry County Water & Sewer Authority	\$2750	NA	\$34.50
<b>Average Monthly User Fee</b>		<b>\$31.45</b>	<b>\$37.04</b>

23



# POWER ENGINEERING COMPANY, INC.

138 Westpark Boulevard Columbia South Carolina 29210 (803) 216-8777 Fax (803) 216-8070

RECEIVED

March 9, 2006

MAR 09 2006

## UTILITIES AND SERVICES

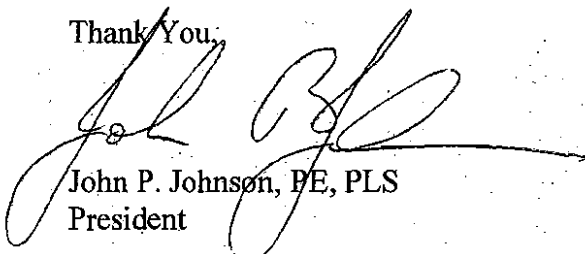
Mr. Andy Metts  
Director Richland County Utilities  
3506 Fernandina Road  
Columbia, SC 29210

Re: Broad River Waste Water Treatment Plant

Dear Andy:

Per your request we are providing our latest estimate of construction costs compared to our February 11, 2002 estimate for the Broad River Waste Water Treatment Plant. In addition we are enclosing documentation from various authoritative sources showing price increases and volatility in both labor and materials. Also, we wish to point out that the addenda put out prior to the bid cancellation by Richland County show a reduction in costs. If we can be of further service in these areas, please contact Bill Dunn or myself at your convenience.

Thank You,

  
John P. Johnson, PE, PLS  
President

Cc: Bill Dunn

Enclosures



SBR Process  
Preliminary Project Cost Estimate  
Concrete Construction - Retrievable Diffusers  
Richland County  
Wastewater Treatment Facility  
September 2005

Description	Feb. 11, 2002		Feb. 11, 2002		Sept. 2005		Comments
	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	
<b>1. MOBILIZATION</b>		\$100,000.00		\$100,000.00		\$100,000.00	
<b>2. SITE IMPROVEMENTS FOR NEW SBR TREATMENT PLANT</b>							
Piping		\$650,000.00				\$900,000.00	
Grading (See Note 1)		\$1,050,000.00				\$1,300,000.00	Adjusted prices for fuel and material increases approx. 30-50%
Cleaning & Grubbing (Including Borrow Area)		\$120,000.00				\$50,000.00	
Grassing & Seeding (Including Borrow Area)		\$120,000.00				\$150,000.00	
Fence Around New Treatment System (Includes 4 Electric Gates & 4750 L.F.)		\$92,000.00				\$110,000.00	
Storm Drainage		\$25,000.00				\$35,000.00	
Asphalt Drive (See Note 2)		\$70,000.00				\$100,000.00	
Sidewalks		\$25,000.00				\$35,000.00	
Lighting		\$15,000.00				\$20,000.00	
Rock Excavation						\$1,000,000.00	Item not included in 2002 estimate
<b>TOTAL SITE IMPROVEMENTS FOR NEW SBR</b>				\$2,167,000.00		\$3,800,000.00	
<b>3. EXISTING LAGOON REHAB</b>							
Demolition of Concrete (See Note 3)		\$254,800.00					
Pump Out Sludge		\$100,000.00					
Regrade All of Dike to 2:1 Slope (Inside & Out)		\$427,000.00					
Raise Bottom of Lagoon to Drain		\$112,000.00					
Gas Extraction System (10,560 l.f., 7' wide, 50'cc)		\$33,200.00					
Dam & Pumping for Holding Basin		N/A					
Liner (285,000 Sq. Ft.)		\$171,000.00					
Misc. Piping		\$10,000.00					
Lighting		\$15,000.00					
Misc. Safety Equipment, Steps Out of Lagoon, etc.		\$10,000.00					
Guard Rail (4100 L.F.)		\$82,000.00					
Security Fence (3500 L.F.)		\$70,000.00					
Basin Aeration (See Note 4)		\$70,000.00					
<b>TOTAL EXISTING LAGOON REHAB</b>				\$1,355,000.00		\$600,000.00	
<b>4. HEADWORKS AND INFLUENT PUMP STATION AREA</b>							
Flume		\$2,500.00					
Sampler		\$4,500.00					
Flowmeter		\$2,500.00					
Recorder/Totalizer/Indicator		\$2,350.00					
Bar Screen		\$45,643.00					
Press		\$19,852.00					
Vortex Grit Unit		\$57,306.00					
Grit Classifier		\$22,675.00					
Air Lift Blowers		\$7,632.00					
Gates		\$39,150.00					
Miscellaneous Piping		\$14,765.00					
Control Panels		\$14,250.00					
Concrete		\$124,973.00					
Misc. Metals		\$11,525.00					
Installation		\$58,235.00					
Building (See Note 5)		\$60,000.00					
Grading New Dike Around Headworks(See Note 4)		\$460,000.00					
							Bid included an allowance for headworks equipment of 1.3 million plus approx. \$100,000 for concrete slab

Description	Feb. 11, 2002 Unit Cost	Feb. 11, 2002 Total Cost	Sept. 2005 Total Cost	Comments
Bid Allowance	\$800,000.00			Bid included an allowance for headworks equipment of 1.3 million plus approx. \$100,000 for concrete slab
Conc.	\$10,000.00			
<b>TOTAL HEADWORKS/INFLUENT PUMP STATION</b>		<b>\$1,757,856.00</b>	<b>\$1,400,000.00</b>	
5. DIFFUSER IN RIVER (\$200/l.f.)	\$25,000.00	\$25,000.00	\$25,000.00	
6. SBR				
Infl. Splitter Box, Piping To & From Basins	\$300,500.00		\$200,000.00	Cost of piping only
SBR Equip. Plus 20% Install. (Retriv. Diffusers)	\$1,518,196.00		\$2,300,000.00	Includes bid allowance of approx. 1.8 million plus 20% installation
Surge Tank & Misc. Metals	\$400,000.00		\$300,000.00	
Concrete Tanks	\$1,582,750.00		\$2,600,000.00	Based on increased cost of concrete and steel for 13,000 CY
Blower Building	\$315,000.00		\$300,000.00	
(Includes space for backup generator, 4200 s.f.)				
<b>TOTAL SBR</b>		<b>\$4,096,446.00</b>	<b>\$5,700,000.00</b>	
7. UV SYSTEM AND CASCADE STEP AERATION				
Equipment (UV)	\$185,000.00		\$275,000.00	Used allowance included in bid
Cascade Step Aeration	\$250,000.00		\$325,000.00	increased 40% for concrete & steel
Jib Crane	\$7,600.00		\$10,000.00	
Gates	\$25,340.00		\$35,000.00	
Concrete for UV System	\$182,817.00		\$235,000.00	
Miscellaneous Metal	\$54,318.00		\$75,000.00	
Effluent Flowmeter	\$2,500.00		\$3,500.00	
Effluent Sampler	\$4,500.00		\$5,500.00	
Effluent Totalizer Indicator Record	\$2,350.00		\$3,500.00	
Miscellaneous Piping	\$53,987.00		\$70,000.00	
Installation	\$64,108.00		\$85,000.00	
Building	N/A		\$25,000.00	
<b>TOTAL UV SYSTEM &amp; CASCADE STEP AERATION</b>		<b>\$832,521.00</b>	<b>\$1,147,500.00</b>	
8. SLUDGE HANDLING				
Sludge Piping	\$45,000.00		\$60,000.00	
Sludge Holding Tank	\$375,000.00		\$600,000.00	Included larger digester & increasing cost for concrete & steel
Sludge Holding Tank Aeration (See Note 7)	\$15,000.00		N/A	
Sludge Treatment Building (See Note 8)	\$235,987.00		\$250,000.00	
Sludge Dewatering Equipment (1 Belt Press)	\$335,000.00		\$435,000.00	
Sludge Dewatering Polymer System	\$50,000.00		\$60,000.00	
Dewatered Sludge Conveying Equipment	\$80,000.00		\$100,000.00	
Duplex Washwater Pumps W/Controls	\$30,000.00		N/A	
Sump Pump Station to Return Subnatent	N/A		N/A	
Installation	\$60,000.00		\$100,000.00	
<b>TOTAL SLUDGE HANDLING</b>		<b>\$1,245,987.00</b>	<b>\$1,505,000.00</b>	
9. CHEMICAL FEED				
pH Adjustment Facility	\$75,000.00			
Concrete	\$7,500.00			
Installation	\$5,500.00			
Piping	\$7,500.00			
Non Potable Water System	\$7,500.00			
<b>TOTAL CHEMICAL FEED</b>		<b>\$103,000.00</b>	<b>\$150,000.00</b>	
10. PUMP STATION #2 WASH WATER				
Gorman Rupp - Duplex Dry Pit Pump Station	\$75,000.00	\$75,000.00	\$100,000.00	
11. SLUDGE CAKE DRYER (RK-48)				
Building (5000 S.F.) (See Note 10)	\$375,000.00		\$400,000.00	
Equipment	\$500,000.00		N/A	Furnished by Owner
Re-Use/Potable Water Tank W/Pumps(See Note 11)	\$50,000.00		N/A	

Description	Feb. 11, 2002	Feb. 11, 2002	Sept. 2005	Comments
	Unit Cost	Total Cost	Total Cost	
Conveyor				
Misc. Steel	\$20,000.00		\$200,000.00	Added cost to cover high temp. sludge and vertical discharges
Misc. Piping (Electrical, Water, Drainage, Etc.)	\$15,000.00		\$25,000.00	
TOTAL SLUDGE CAKE DRYER	\$15,000.00		\$25,000.00	
		\$975,000.00	\$650,000.00	
12. OFF-SITE POTABLE WATER				
3000' - 8" Diameter DIP (\$16/Ft.)				
Misc. Fittings	\$48,000.00		\$65,000.00	
TOTAL OFF-SITE POTABLE WATER	\$5,000.00		\$10,000.00	
		\$53,000.00	\$75,000.00	Pipe escalation cost
13. ON-SITE POTABLE WATER				
950' - 8" Diameter DIP (\$16/Ft.)				
2100' - 6" Diameter DIP (\$14/Ft.)	\$15,000.00			
8" Master Meter & Backflow Preventer(See Note 12)	\$28,400.00			
Misc. Fittings & Hydrants (See Note 13)	\$35,000.00			
TOTAL ON-SITE POTABLE WATER	\$15,000.00			
		\$94,400.00	\$150,000.00	Pipe escalation cost
14. OFFICES & LAB				
Building (80' x 105')				
Chemical Handling Equipment	\$840,000.00			
Lab Equipment	\$5,000.00			
Furniture (Office desk, Bookshelves, Etc.)	\$200,000.00			
TOTAL FOR OFFICES AND LAB	\$25,000.00			
		\$1,070,000.00	\$1,400,000.00	Building estimate based on HGBD
15. COMPUTERS AND INFORMATION SYSTEMS				
Computers				
Computer Software	\$20,000.00			
Field Terminal Units	\$17,500.00			
TOTAL FOR COMPUTERS/INFORMATION SYSTEMS	\$75,000.00			
		\$112,500.00	\$445,000.00	Added SCADA system and other equip. for instrumentation as an allowance in bid. Price includes equip. from item #4
18. ELECTRICAL CONSTRUCTION				
Generator				
Electrical General Construction	\$125,000.00			
TOTAL FOR ELECTRICAL CONSTRUCTION	\$750,000.00			
		\$875,000.00	\$1,500,000.00	
17. MECHANICAL CONSTRUCTION				
		\$65,000.00	\$200,000.00	
SUB-TOTAL CONSTRUCTION COST		\$15,002,710.00	\$19,047,500.00	
18. CONTRACTOR'S OVERHEAD (3.5%)		\$450,081.30	\$887,000.00	
19. CONTRACTOR'S PROFIT (8.5%)		\$1,200,216.80	\$1,685,500.00	
SUB-TOTAL		\$16,653,008.10	\$21,400,000.00	
	Escalation Since Sept. 05		\$2,000,000.00	
	Estimate Bid 3/2/08		\$23,400,000.00	
	Contingency 5%-		\$1,170,000.00	
	Subtotal		\$24,570,000.00	
	Allowance For Escalation to Rebid 5%,		\$1,170,000.00	
	Total Estimate		\$25,740,000.00	

THIS IS A PRELIMINARY CONSTRUCTION COST ESTIMATE. THE CLIENT UNDERSTANDS THAT POWER ENGINEERING COMPANY, INC. (PEC) AND DUNN AND ASSOCIATES HAVE NO CONTROL OVER COSTS OR THE PRICE OF LABOR, EQUIPMENT, OR MATERIALS, OR OVER THE CONTRACTOR'S METHOD OF PRICING, AND THAT THE OPTIONS OF ESTIMATED CONSTRUCTION COSTS PROVIDED HEREIN ARE MADE ON THE BASIS OF PEC'S AND DUNN AND ASSOCIATES QUALIFICATIONS AND EXPERIENCE. PEC AND DUNN AND ASSOCIATES MAKE NO WARRANTY, EXPRESSED OR IMPLIED, AS TO THE ACCURACY OF SUCH OPINIONS AS COMPARED TO BID OR ACTUAL COSTS.



**Economic News**

**Construction spending sets record in November; material costs continue rising**

*By Jonathan Menard*

Construction spending in November set a record for the fifth month in a row, soaring to a seasonally adjusted annual rate of \$1.15 trillion, an improvement of .2 percent over October, according to the U.S. Census Bureau.

"Growth has been steady and well distributed among the major construction segments for the past several months," said Ken Simonson, chief economist for the Associated General Contractors of America. For the first 11 months of 2005, total construction was 9 percent higher than it was for the same months in 2004.

Private residential construction grew 11 percent, public construction 8 percent and private nonresidential building 5 percent, Simonson said.

The number of construction jobs also increased in November, the U.S. Bureau of Labor Statistics reported. Employment in heavy and civil engineering and residential specialty trades was up 6 percent, residential building jobs increased 4 percent, and nonresidential building and specialty trade employment rose 2 percent and 3 percent, respectively.

Although the construction industry appears to be growing, material cost increases may have a negative effect on the industry this year.

The Bureau of Labor Statistics' producer price index for materials and components for construction rose 1.3 percent in October and 5 percent over the past 12 months. By category of material, major contributors to the rise during the past year included:

- Copper and brass mill shapes, up 21 percent
- Asphalt, up 18 percent
- Gypsum products, up 15 percent
- Plastic construction products, up 13 percent
- Concrete products, up 10 percent
- Construction machinery and equipment, up 5 percent

Simonson said he doesn't see material prices getting better anytime soon. While oil prices have been coming down, they are still higher than a year ago. This will keep expenses high for companies that operate off-road equipment or their own trucks, and means fuel surcharges on deliveries aren't going away, Simonson said. Natural gas prices will also stay high this winter and probably through much of 2006, Simonson said, affecting the cost of PVC pipe, insulation, roofing materials, paints and coatings, glass, brick and other products that use natural gas as a feedstock or heat source.

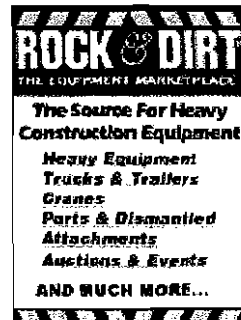
Many cement makers increased prices Jan. 1, on top of a 13 percent average increase over the past 12 months. Cement supplies are likely to be even tighter in 2006 as demand continues rising faster than domestic production or transport

**More Economic News**

- [Despite substantial increases, overall construction starts fell slightly in November](#)
- [Federal government revises fuel price outlook upward](#)

**Archived Economic News**

- [Construction spending sets new record in August](#)
- [ACG economist predicts double-digit increases in construction material costs](#)
- [Construction spending unchanged in July; Katrina to affect material costs, supply](#)
- [Governors ask Commerce Department to lift cement tariff](#)
- [Bush to sign highway bill at Caterpillar plant](#)
- [Energy bill means more nuclear plant construction](#)
- [Construction spending declines in June](#)
- [Steel prices decreasing this year](#)



capacity, Simonson said.

**Send this page to a friend**



**Archived Stories:**

- [10/5/2005 Construction spending sets new record in August](#)
- [9/20/2005 AGC economist predicts double-digit increases in construction material costs](#)
- [9/7/2005 Construction spending unchanged in July; Katrina to affect material costs, supply](#)
- [8/25/2005 Governors ask Commerce Department to lift cement tariff](#)
- [8/9/2005 Bush to sign highway bill at Caterpillar plant](#)
- [8/8/2005 Energy bill means more nuclear plant construction](#)
- [8/4/2005 Construction spending declines in June](#)
- [8/1/2005 Steel prices decreasing this year](#)
- [7/29/2005 Congress approves six-year highway bill](#)
- [7/23/2005 AGC economist asks Congress to simplify contractors' taxes](#)
- [7/19/2005 California transportation funding up \\$3 billion from last year](#)
- [7/8/2005 Firm fined \\$29 million for concrete price-fixing scam](#)
- [7/5/2005 Construction spending declines for third straight month](#)
- [6/29/2005 Report: Highway/bridge builders spend most on equipment](#)
- [6/28/2005 No signs of cement shortage improving](#)

Copyright 2005 Equipment World

Tues  
1/24/06

Johnny,

Cement increases per our suppliers

Jan 05 - + \$ 8.00/ton = + 11% ↑

July 05 - + \$ 5.00/ton = + 6% ↑

Jan 06 + \$ 10.00/ton = + 12% ↑

July 06 + \$ 5.00/ton = + 5.5% ↑

Steel

+ 40-50% = 2004

went from \$ 26 ton to \$ 40 ton

stable now  
but = a  
Higher  
cost

Fuel

↑

Fuel surcharge on a lot of  
products

# NBN Online for the week of January 23, 2006

(Plain Text Version) for full graphical version, [click here](#).

## In This Issue:

### Front Page

- [U.S. Ready to Increase Mexican Cement Imports](#)
- [Colin Powell Opens Show, NAHB 2006 Leaders Inducted](#)
- [2006 GM \\$500 Exclusive Offer for NAHB Members](#)

### Coast to Coast

- [Pop Goes the Bubble?](#)

### Politics & Government

- [Rep. Oxley Sees Passage of GSE Reform Bill This Year](#)
- [GSEs United Behind Strong National Housing Policies](#)

### Economics & Finance

- [2005 Another Record Year for Single-Family Starts](#)
- [Builders Report Favorable Market Conditions](#)

### Tips

- [A Dust Mask for Your Circular Saw](#)

### Katrina Recovery

- [Temporary Housing a Stumbling Block in Recovery](#)

### Building Systems

- [Find More About Building Systems on NAHB Web Site](#)

### Sales

- [Insider Sales, Marketing Info Now Available Online at NAHB](#)

## Related Articles

- [Colin Powell Opens Show, NAHB 2006 Leaders Inducted](#)
- [2006 GM \\$500 Exclusive Offer for NAHB Members](#)

## U.S. Ready to Increase Mexican Cement Imports



"At Home With Concrete" demonstrations during last week's "World of Concrete" in Las Vegas.

Yet to be finalized, an accord announced by the U.S. and Mexico last week to settle a 16-year dispute on anti-dumping duties on Mexican cement imports will help to alleviate shortages of the building material that have been reported in more than 30 states.

"With U.S. capacity running at full tilt, the nation still must import more than 20% of its cement supply in order to meet domestic needs," said NAHB President David Pressly. "Once finalized, this agreement will provide additional supplies of Mexican cement to the U.S. market. The pact is vital to meet consumer demand, which is expected to increase in the coming year as the rebuilding efforts from Hurricanes Katrina and Wilma get into full swing."

Under the proposed settlement, which could be finalized this spring, the U.S. will reduce duties on Mexican cement from \$26 to \$3 per ton, and Mexican imports will be permitted to grow to 3 million metric tons annually, up from last year's level of approximately 2 million tons. After three years, the quotas and duties would be entirely eliminated.

During the past year, NAHB has held several discussions with Commerce Department officials — including Secretary Carlos Gutierrez — urging the Administration to overturn the costly tariffs and outlining how cement shortages have led to construction delays and harmed housing affordability by increasing the cost of building projects. Data was also provided on states and geographic areas that have been most affected by the shortages.

"We are pleased that Commerce Secretary Gutierrez heeded our concerns, and showed a willingness to work with our industry and consider the needs of American consumers," said Pressly.

## Sponsored by Freddie Mac

- > [Freddie Mac CEO Syron Dissects GSE and Tax Reform Proposals in Speech to Home Builders](#)
- > [Freddie Mac Takes an In-Depth Look at Asian Homebuyers in the U.S.](#)

## Sponsored by McGraw Hill Construction

- > [Download Deloitte/McGraw-Hill Construction Industry Survey](#)
- > [Visit McGraw-Hill Construction...](#)
- > [Visit Deloitte...](#)

## Sponsored by NAHB

- > [2006 National Green Building Conference](#)
- > [Building for Boomers & Beyond: 50+ Housing Symposium 2006](#)
- > [NAHB Multifamily Pillars of the Industry Conference and Gala](#)

**Environment**

- **2006 Storm Water Permitting Guide Available**
- **Are Consumers Buying Smart Growth? Let NAHB Know**

**Education**

- **Education Calendar**

**Regulation**

- **Builders, Forest and Paper Industry Share Concerns**

**Green Building**

- **New Green Building Guidelines Available**
- **Take Online Survey to Assess Use of Compressed Straw**

**Legal**

- **Trials a Costly Way to Settle Home Buyer Disputes**

**Workforce housing**

- **Nominate Communities That Promote Workforce Housing**

**Labor**

- **Campaign to Make Housing Careers Happen**

**Building Products**

- **Wood Framing Can Enhance Disaster Resistance**

**Builder's Engineer**

- **I Always Get Slaughtered In the Dirt, Part I, Bad CAD**

**TV**

- **NAHB Programs on HGTV & DIY**

The accord is structured so that Florida and the Gulf region, areas facing cement shortages, will be able to significantly increase their shipments of Mexican cement. The negotiated framework also provides the flexibility to allow the President to direct an additional 200,000 metric tons of cement to areas hit by natural disasters.

High anti-dumping tariffs that have been in place since 1990 have limited supply from Mexico, which has excess capacity. Because of its close proximity to the U.S., it takes only four days to import cement from Mexico, compared with 40 days from Asia.

"Throughout the process, builders have been pushing to resolve this dispute in a manner that leads to free trade, and we are pleased that this framework will ultimately lead to this favorable outcome," said Pressly. "We urge both governments to quickly finalize the accord so that we can achieve this important objective as soon as possible."

Under the agreement, the 3 million tons would be distributed in eight areas, as follows:

- Alabama/Mississippi — 55,000 tons
- Arizona — 1.25 million tons
- California — 150,000 tons
- Florida — 200,000 tons (more than twice the state's current allocation of 75,000 tons)
- New Mexico/El Paso — 725,000 tons
- New Orleans — 280,000 tons
- Texas — 215,000 tons
- Rest of U.S. — 125,000 tons

For more information, e-mail [Jason Lynn](mailto:Jason.Lynn@NAHB.org) at NAHB, or call him at 800-368-5242 x8307; or contact [Michael Carliner](mailto:Michael.Carliner@NAHB.org), x8376.



# CONCRETE Monthly

Count on Conc

News from the cement and concrete industries

Vol. 3 No. 12 December 2005

## AGC disagree on need for importing additional cement

Ken Simonsen, chief economist of the Associated General Contractors of America (agc.org), said that while inflation at the consumer level has remained moderate, many construction inputs are rising through the proverbial roof. He has called for a lifting of duties on cement from Mexico to increase available supplies.

It is a relief to see that consumer prices, other than energy and food, are rising only 0.1 or 0.2 percent per month, but unfortunately, nonresidential construction is being hit with a variety of steep price increases. In addition, some materials are in short supply. I'm concerned that price spikes and supply shortages will continue in 2006."

Simonsen noted that the "core" rate for both consumer and producer prices, excluding food and energy costs, has risen only about 2 percent in the past months.

In contrast," he said, "the cost of inputs for highway and street construction leaped 10 percent; nearly 10 percent for other

AGC

continued on page 15



Photo courtesy of FEMA

### Unfinished concrete home speaks for itself

Hurricane Katrina interrupted the construction of an insulating concrete form (ICF) home being built by Mr. and Mrs. Scott Sundberg at 103 Shadowlawn Ave. in Pass Christian, Miss. Sundberg, P.E., was about 85 percent finished when the hurricane struck, destroying his neighborhood. Work has resumed. The home has concrete floors at the carport level, second floor and third floor, and the walls are ICFs. Sundberg designed the home and he and his wife are building it. The Federal Emergency Management Agency (FEMA) has cited the house as having survived the hurricane because it was being built using many FEMA standards. Sundberg, who has lived on the Gulf Coast for 15 years, said that not all concrete and masonry structures fared as well, particularly because of storm surge or poor design.

## Parking lot can be designed as detention pond

By Don Wade

Many commercial properties currently being developed incorporate a structure, a parking lot and a detention pond. These three items take up a large portion of the available land space. This concept takes a look at the advantages of designing the

parking lot to also serve as the detention pond, thereby reducing, or eliminating, the requirements for a separate detention area. Eliminating the need for the extra land space, and the associated underground stormwater structures, can substantially

reduce the cost of development.

Ponds, in general, have proven pollution treatment capabilities and are recommended by the Environmental Protection Agency (EPA) as a Best Management Practice (BMP) for stormwater mitigation. Many cities and countries have adopted ponds of various types as a part of their stormwater management codes.

Many factors affect a pond's stormwater management potentials and pollution removal efficiencies. Items such as rainfall volumes, area of infiltration, storage volumes, soil types, perk rates and biological activity all contribute to the overall design of an efficient pond.

Typically, ponds provide 30-80 percent

PARKING

continued on page 6



CONCRETE

\*\*\*\*\*AUTODIGIT 3-DIGIT 290

CHANDV3964  
CHARLES A CARSON JR  
SOUTHERN CONCRETE PRODUCTS  
PO BOX 2104  
WEST COLUMBIA SC 29171-2104

CHANGE SERVICE REQUESTED

11675 Jollyville Rd Ste 150, Austin, TX 78759

CONCRETE MONTHLY

10 SUBSCRIBE:  
MWM.CONCRETEMONTHLY.COM  
800-678-9724 X 344  
HOUSEPLANS Vol 3 NOW AVAILABLE  
\$9.95 + \$5.00 S&H

Presorted Standard  
U.S. Postage  
PAID  
Kansas City, MO  
Permit No. 420

**AGC**

*continued from page 1*

construction; and 8 percent for  
ing construction.

Many materials contributed to this  
pike," Simonson said. "The price index  
r copper and brass mill shapes was up  
1 percent; asphalt, 18 percent; gypsum  
roducts, such as wallboard, 15 percent;  
lastic construction products, 13 percent;  
nd concrete products, 10 percent.

"The worst news has been about diesel  
uel, which affects contractors in three  
ays," Simonson added. "The producer  
rice index for diesel jumped 59 percent  
rom October 2004 to October 2005. That  
irectly raises the cost of operating off-  
oad equipment like tower cranes and  
ulldozers. Contractors also buy diesel  
uel to run dump trucks, concrete mixers,  
nd other vehicles. And the truckers who  
eliver construction materials are passing  
rough higher diesel costs in the form of  
uel surcharges on most deliveries.

"Lumber and plywood prices have fallen,  
nd steel prices are mixed. However, the  
reak on wood products benefits mainly  
ingle-family construction, not multi-fam-  
ily or nonresidential projects.

*Increases in commercial con-  
struction and public works con-  
struction will more than offset  
the residential slowdown*

"Tight supplies of cement, polyvinyl  
chloride (PVC) pipe, and tires for off-  
oad equipment have been an ever big-  
ger problem than high prices for many  
contractors," Simonson said. "AGC urges  
the Commerce Department to alleviate  
cement shortages by immediately suspend-  
ing the duty on Mexican cement.

A 55-percent anti-dumping duty that  
applies only to Mexican cement has led  
importers to bring in cement from China,  
Korea, Greece and Venezuela instead, add-  
ing to transit times and port congestion."

"Without relief from the duty, cement  
supplies will continue to be a problem  
for hurricane-racked southern states and  
fast-growing areas in the southwest. Other  
materials may face spot shortages in 2006,  
and many prices will be volatile."

**Different viewpoint**

But unlike Simonson, PCA Chief  
Economist Ed Sullivan is not joining the  
call for a relaxing of duties on imports  
of Mexican cement in order to increased  
import levels.

According to Sullivan, although re-  
building New Orleans could consume 650,  
000 to 1.8 million tons of cement each  
year of an expected five-year process, addi-  
tional imports will not be necessary to fill  
this need.

"The slightly more adverse economic  
environment early in 2006 will act to neu-  
tralize the additional cement consumption  
anticipated from the post-Katrina rebuild-

ing efforts," he said.

The U.S. is expected to import 33 mil-  
lion tons of cement in 2005, roughly 27  
percent of the cement consumed. PCA's  
fall forecast projects 2006 imports to reach  
35 million tons, in line with earlier, pre-  
Katrina estimates.

Sullivan said residential construction is  
expected to decline due to raising mort-  
gage rates in 2006; however, increases in  
commercial construction and public works

construction will more than offset the  
residential slowdown and provide a net  
cement consumption gain in 2006.

Closely in line with its summer, pre-  
Katrina forecast, the PCA Fall 2005  
Economic Forecast projects that more than  
120 million metric tons of cement will be  
used in 2005, an increase of 5.2 percent  
from 2004, with consumption rising an  
additional 3.7 percent in 2006.

"This summer's hurricanes served as a

trigger point to start slightly slower eco-  
nomic growth," Sullivan said.

"Higher home heating costs, rising  
inflation and rising interest rate levels  
will cause some construction slowdowns.  
Fortunately the re-building of the Gulf  
Coast, particularly New Orleans in the  
later half of 2006, will contribute to keep-  
ing cement consumption on track with  
earlier forecasts as will increases in public  
construction." CM

**Biodegradable Releases**  
**FOR ALL CONCRETE APPLICATIONS**  
**Pump Trucks & Spatter Included**

**THE CHOICE IS**  
**CLEAR**

- Water Free
- Solvent Free
- Zero Vegetable Oils
- Exceptionally Clean Forms
- Exceptionally Smooth Surfaces

**STRONG PRODUCTS LLC**  
**888-959-9539**  
**www.BioConcreteRelease.com**



The McGraw-Hill Companies

McGraw Hill CONSTRUCTION

Subscriptions Advertise Careers Contact Us My Account Sign In

Visit Work Centers

Our Sites

Search

Print

ENR.com Engineering News-Record

2006 全球建筑峰会 GLOBAL CONSTRUCTION SUMMIT

April 25 - 27 Beijing, China

ENR Content Purchase Questions View Cart My ENR Content My ENR Account

home news features projects products people & firms opinions resources

features & covers

- Buildings Business & Labor Education Environment Power & Industrial e-Construction Transportation International Construction Economics

recent cost indexes

From the February 27, 2006 issue of ENR

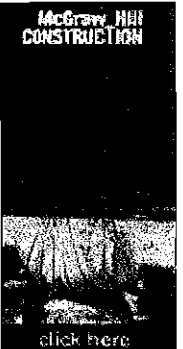
Steel Prices Start To Settle Down

Structural steel prices have leveled off after posting strong gains last year. The average price for wide-flange, channel and I-beams fell 1% during the first two months of 2006. This is a modest rollback compared to the 10% price increase during the last four months of 2005. As a result, structural steel prices remain 13% above a year ago. Reinforcing bar prices have followed a similar curve. However, the impact on year-to-year rebar price increases has been less severe due to falling price levels in early 2005.



(Photo by staff photographer)

McGraw Hill CONSTRUCTION Events



Subscribe to ENR Try 4 issues FREE!



click here

search the DODGE project marketplace

search the SWEETS product marketplace

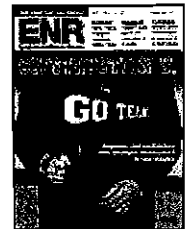
Want the entire Construction Economics section with data from February 27, 2006 Issue in an electronic format? click here.

ENR Revises September Cost Indexes

ENR has revised its cost indexes for last September to include updated wage settlements for several cities. The impact on the 20-city average indexes can be seen in the revised numbers in the table below. The revised year-to-year increase for the 20-city Construction Cost Index is 3.3%, up from the previously published 3.0%. Inflation measured by the 20-city Building Cost Index last month was revised upward to 3.4% from 2.8%. The revised index and year-to-year increase for the September 2005, CCI for the following cities are: Atlanta, 4757.45, +1.9%; Denver, 5501.86, +1.5%; Los Angeles, 8485.20, +3.9%; and San Francisco, 8382.45, +2.3%. The revised index and year-to-year increase for the September 2005, BCI for the following cities are: Atlanta, 3526.75, +5.1%; Dallas, 3133.80, +3.3%; Denver, 3611.04, +2.0%; Los Angeles, 4334.64, +4.9%; New Orleans, 3178.60, +6.1%; San Francisco, 4731.12, +5.4%. Revisions also can be found on the internet at enr.com.

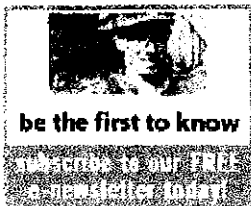
Subscribe to ENR

Try 4 issues FREE!



click here

Industry Links



### Construction Cost Index

A 0.5% increase in the CCI's labor component helped to push annual escalation measured by the index from 5.0 to 5.4%.

20-CITY: 1913=100	February 2006 Index Value	% change Month	% change Year
CONSTRUCTION COST	7688.90	+0.4	+5.4
COMMON LABOR	16017.50	+0.5	+4.8
WAGE \$/HR.	30.43	+0.5	+4.8



### >> Marketplace

#### Sponsored Links

**The Jobclock**  
The Contractor's Timeclock. Provider of "The Jobclock", a remote,...

**Your Number 1 Source for Printed Hardhats**  
Our pricing model includes your logo printed boldly on the front ...

**ProEst Cost Estimating Software**  
Create Quick, Accurate Estimates. Free Demo CD.

**Used Heavy Equipment**  
Buy and Sell. Search distributor inventory nationwide.

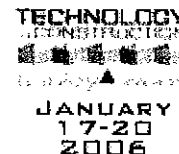
**Buy a Link Now!**



### Building Cost Index

This month's 0.1% increase in the BCI matched February 2005's increase, keeping the annual increase at 5.4%.

20-CITY: 1913=100	February 2006 Index Value	% change Month	% change Year
BUILDING COST	4337.39	+0.1	+5.4
SKILLED LABOR	7207.06	+0.1	+4.1
WAGE \$/HR.	40.00	+0.1	+4.1



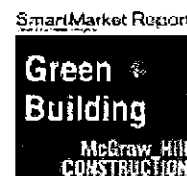
### Materials Cost Index

A dip in steel prices offset mild increases in cement and lumber prices, holding the MCI steady for the month.

20-CITY: 1913=100	February 2006 Index/Price	% Change Month	% Change Year
MATERIALS	2584.28	0.0	+7.7
CEMENT \$/TON	90.12	+0.1	+4.8
STEEL \$/CWT	37.56	-0.2	+13.1
LUMBER \$/MBF	516.17	+0.4	-0.1



- Construction Economics >>
- 20-City Indexes >>
- Cost Index FAQs >>
- Cost Report Issues >>
- Cost Estimator >>



# Mid-Atlantic Construction

## Feature Story - December 2004

### Feeling the Pinch

*Mid-Atlantic gets squeezed by spike in material costs*

With the price of steel, concrete and other building materials climbing, local companies are adjusting the way they do business.

*By Sheila Bacon*

When PDI Sheetz Construction Co. of Linthicum, Md., bid on Baltimore's Interstate 695 improvements project in the spring of 2003, there were rumblings throughout the industry that steel prices were on the rise.

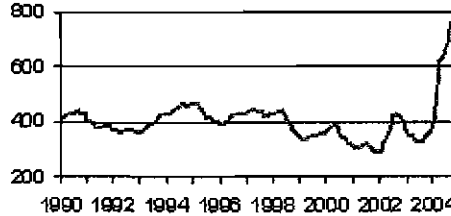
Jerry Sheets, vice president of the company, received approval from the Maryland Department of Transportation to stockpile steel material - primarily H-piles - in hopes of avoiding higher prices later, and the mill promised to honor its original price if the 800 to 1,000 tons of steel needed were purchased by the following January.

The move was a good one because steel prices have more than doubled since Sheets bought the materials.

What Sheets didn't anticipate were scope-of-project changes that will require another 400 to 500 tons of steel.

"We have to go out into this inflated market and buy more material," said Sheets, whose firm, a pile-driving subcontractor to heavy/highway contractor Facchina Construction of La Plata, Md., is currently at work on the job.

**Steel Spot Prices Shoot to New Record**  
(Dollars per ton, *PurchasingData.com*)

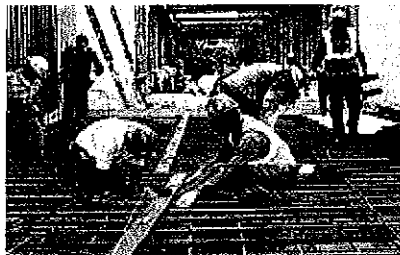


*Steel prices that loomed around \$300 in 2003 shot up to more than \$800 by the end of 2004.*

Sheets is in negotiations with the state now to recoup the overruns but is uncertain if reimbursement will come before the project is complete one year from now.

Unfortunately, PDI Sheetz's story is not uncommon these days. The price of some construction materials has skyrocketed across the nation, and the mid-Atlantic is not immune.

Steel prices have dealt the heaviest blow. Plate steel has sold for about \$300 a ton for the past several years, but its price today is approximately \$820 a ton, said John Anton, director of steel service for economic consulting firm Global Insight in Washington, D.C. Rapidly rising material prices have prompted owners to postpone projects and steel suppliers to scramble to fulfill contracts.



*Steel shortages and price increases*

Everyone's Affected

Steel shortages and price increases have left *virtually no one in the U.S. construction industry unscathed.* *have left virtually no one in the mid-Atlantic construction industry unscathed.* The mid-Atlantic region has been feeling the pinch as severely as all other regions east of the Rockies - the topographical line that typically divides the U.S. market.

Prices for flat products - steel plate used as decking and galvanized sheet metal for HVAC installation - have risen by as much as 140 percent in the past year, with prices for main steel products used to make structural steel members and rebar climbing by 80 to 100 percent, Anton said.

Most economists blame China and its booming economy for the United States' steel woes. As China's economy grows from poverty to lower middle class, the country is buying more cars, building more infrastructure and doing more business.

China's steel consumption is up 110 percent over a six-year period and is rising, according to Global Insight. The raw materials and finished steel that were typically exported to the United States a few years ago are now being used up by the Chinese.

"We have to get into a bidding war with China to get our hands on it," Anton said. advertisement

China isn't the only country competing with the United States for steel and its components. Japan, India and other smaller economies are also posting favorable growth rates, said Ken Simonson, chief economist with the Associated General Contractors of America in Alexandria, Va., consequently creating an even tighter market.

#### Other Materials on the Rise

While spiking steel prices have been the most disruptive to the U.S. construction market, the costs of other building materials have also been affected. The Bureau of Labor Statistics' price index for Portland cement shows increases of 3 to 4 percent over the past year - not as dramatic as steel's upsurge, but significant considering cement prices rose just one tenth of one percent last year and have historically remained steady.

"Concrete products were the poster child for price moderation in the last decade," said Tim Grogan, economics editor for McGraw-Hill Construction's *Engineering News-Record* magazine.

Since concrete is a fairly regional market, shortages and price increases fluctuate throughout the country, depending on need and proximity to producers. The mid-Atlantic region is suffering as much as other regions that are experiencing steady growth in the single-family housing market, said Ed Sullivan, chief economist for the Portland Cement Association in Skokie, Ill.

Demand is outpacing area suppliers, leaving the region to depend on overseas imports to "fill the gap," Sullivan added. He said import volume has been constrained for the better part of 2004 because of the unavailability of ships to bring the cement in. Again China is the culprit here, with the bulk of cargo ships diverted to serve the Asian nation's exploding economy.

Still, the mid-Atlantic region is not as desperate as the state of Florida, where this year's devastating hurricanes are requiring a tremendous amount of rebuilding. Southern California, New York City and Las Vegas are also severely affected by the concrete shortage due to strong residential housing growth, Sullivan said.

#### Switching Gears

Sheets of PDI Sheetz is conducting business a bit differently these days in response to rising steel prices.

"With the market the way it is, you have to cover yourself," he said. "When I quote a job, it's good for only 15 days."

That wouldn't have been necessary even one year ago, when Sheets' quotes would hold for 60 to 90 days.

Jeff Sterner, president of High Construction Co. of Lancaster, Pa., has prepared proposals for two jobs - a manufacturing facility and a two-story office building - that were ultimately postponed by the owner in direct response to rising material costs.

"Those are two projects we'd be building right now," Sterner said. "If there's not a time urgency, developers are shelving [their projects]."

#### Future Outlook

AGC's Simonson said relief from high steel prices and low supplies won't come quickly. He foresees continuing bouts of price spikes and shortages of a variety of construction materials into 2005.

No increase of capacity and the unlikelihood of shipping prices decreasing will keep concrete costs high, and further increases in steel prices mean "steel makers will be calling the shots" for the next several months, he said. And as long as the housing market remains strong, lumber, insulation, gypsum wall board and other materials used in residential construction will remain scarce.


The long-term outlook is brighter. The industry is at a turning point as prices start to stabilize, said Global Insight's Anton. Pressure from overseas will continue through the first half of 2005, but price declines should accelerate towards the end of the year.

Iron ore and coal companies have started expanding their mines in response to the raw material shortage, and the results of those expansions should begin showing up in 2006 and 2007 as the mines begin operating.

Anton predicted that steel prices will stabilize by 2007 and 2008, but they will still likely be approximately 20 percent higher than they were in the previous five years. That's because the Asian economy's crash in the late 1990s led to a flood of imports and abnormally low steel prices between 1998 and 2003.

"If people can remember what business was like seven or eight years ago, that's what it will look like in 2007," Anton added.

[Click here for more Features >>](#)

<p><b>Try 4 issues of ENR for FREE!</b></p>	
---	---

[http://midatlantic.construction.com/features/archive/0412\\_Feature4.asp](http://midatlantic.construction.com/features/archive/0412_Feature4.asp)



Powered by Clickability

## Steel prices soar 66% in a world market 'gone mad'

By Barbara Hagenbaugh, USA TODAY

WASHINGTON — Shortage fears are leading to a rapid rise in steel prices, squeezing U.S. manufacturers already reeling from a deep three-year downturn.

The price of a ton of hot-rolled coil steel in the USA hit \$482 this month, up 66% from the recent low set in June, steel consulting firm Meps International said Thursday. The price rise comes not long after President Bush ended tariffs on imported steel in December, which was expected to lead to lower prices.

Prices are rising because of a variety of other factors, most notably skyrocketing demand from China's rapidly expanding economy. Last year, China's steel demand rose 38 million tons, the equivalent of the annual steel usage in Mexico and Canada combined, says Peter Fish, managing director at Meps in Sheffield, England. The more China buys, the less steel is on the market.

Supply concerns are so acute that there are reports of some steel-using firms hoarding the metal, compounding the problem. Nearly half of steel users said at least one supplier had canceled an order in January, according to a survey of steel users by the Precision Metalforming Association.

"The world's gone mad. I've never seen anything like this," Meps' Fish says.

Some steel companies are adding surcharges or even renegotiating contracts to raise prices to help offset their higher costs. Nine out of 10 steel users said suppliers raised their base prices in January, while 85% said they had to pay a surcharge, according to the PMA survey.

For U.S. consumers, the rising costs will likely have little impact, because stiff competition is forcing steel users to absorb the higher costs. But for the manufacturing sector, which already has lost 2.2 million jobs in the last three years, it feels like an insult added to an injury.

"We're hoping that enough people are getting hit that we'll be able to pass this on," says Jim McGregor, owner of Morgal Machine Tool in Springfield, Ohio. "There's just no way that we can eat this."

Says Jody Fledderman, president of Batesville Tool and Die, a Batesville, Ind., firm that makes parts for the automobile industry: "It's already so difficult in this business, a lot of people are starting to think there has got to be a better way to make a living."

Other causes for the increases in steel prices:

- Energy prices have remained elevated, making the energy-intensive process of making steel more expensive.
- A coal mine fire in West Virginia in 2003 has led to lower U.S. output of coke, a substance made from coal that is used in making steel.
- The dollar has been falling for months, making all imports costlier, including steel.

▪ [REPRINTS & PERMISSIONS](#)



SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION

DATE : 01/15/04

PAGE : 080 - 1

TABULATION OF BIDS

CALL ORDER : 080  
 LETTING DATE : 01/13/04 11:00 A.M.

CONTRACT ID : 1635.100B  
 DISTRICT : 5

COUNTIES : Marlboro

Darlington

LINE NO / ITEM CODE / ALT ITEM DESCRIPTION	QUANTITY	( 1 ) 1UN002 UNITED CONTRACTORS, INC.		( 2 ) 1RE006 REPUBLIC CONTRACTING CORP.		( 3 ) 1RR002 R. R. DAWSON BRIDGE COMPANY	
		UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
SECTION 0001 BRIDGE PAY ITEMS							
0010 1031000 MOBILIZATION	LUMP	270000.00000	270,000.00	594000.00000	594,000.00	300000.00000	300,000.00
0020 1050800 CONSTRUCTION STAKES, LINES & GRADES	1.000 EA	200000.00000	200,000.00	217000.00000	217,000.00	400000.00000	400,000.00
0030 1072310 TEMPORARY SHORING WALL	654.000 LF	400.00000	261,600.00	400.00000	261,600.00	150.00000	98,100.00
0040 2028101 REMOVAL & DISPOSAL OF EXISTING BRIDGE	LUMP	400000.00000	400,000.00	300000.00000	300,000.00	130000.00000	130,000.00
0050 2028102 REMOVAL & DISPOSAL OF EXISTING BRIDGE	LUMP	70000.00000	70,000.00	80000.00000	80,000.00	160000.00000	160,000.00
0060 2028103 REMOVAL & DISPOSAL OF EXISTING BRIDGE	LUMP	125000.00000	125,000.00	100000.00000	100,000.00	160000.00000	160,000.00
0070 2028104 REMOVAL & DISPOSAL OF EXISTING BRIDGE	LUMP	125000.00000	125,000.00	100000.00000	100,000.00	225000.00000	225,000.00
0080 2028105 REMOVAL & DISPOSAL OF EXISTING BRIDGE	LUMP	150000.00000	150,000.00	240000.00000	240,000.00	50000.00000	50,000.00
0090 2028106 REMOVAL & DISPOSAL OF EXISTING BRIDGE	LUMP	50000.00000	50,000.00	50000.00000	50,000.00	440000.00000	440,000.00
0100 7011400 CONC. FOR STRUCTURES - CLASS 4000	10982.400 CY	505.00000	5,546,112.00	480.00000	5,271,552.00	576.00000	6,325,862.40
0110 7011700 GROOVED SURFACE FINISH	25442.200 SY	3.20000	81,415.04	3.00000	76,326.60	2.49000	63,351.08
0120 7031200 REINF. STEEL FOR STRUCTURES (BRIDGE)	2643985.000 LB	0.50000	1,321,992.50	0.51000	1,348,432.35	0.58000	1,533,511.30
0130 7031220 HOOP REINFORCING STEEL FOR STRUCTURES (BRIDGE)	97463.000 LB	1.00000	97,463.00	0.71000	69,198.73	1.20000	116,955.60
0140 7042000 PRESTRESSED CONC. BEAM (TYPE II)	27795.600 LF	72.50000	2,015,181.00	90.00000	2,501,604.00	73.00000	2,029,078.80
0150 7045521 PRESTRESSED CONCRETE BULB TEE BEAM(72" MODIFIED)	8585.000 LF	150.00000	1,287,750.00	160.00000	1,373,600.00	150.00000	1,287,750.00
0160 7051000 CONCRETE BRIDGE BARRIER PARAPET	10976.000 LF	30.00000	329,280.00	24.00000	263,424.00	35.00000	384,160.00
0170 7092305 COMPRESSION SEAL JOINT	706.500 LF	125.00000	88,312.50	70.00000	49,455.00	100.00000	70,650.00
0180 7093600 SEISMIC RESTRAINER	69.000 EA	3750.00000	258,750.00	2200.00000	151,800.00	6500.00000	448,500.00
0190 7110001 DYNAMIC PILE ANALYZER TEST SET-UP	26.000 EA	1000.00000	26,000.00	600.00000	15,600.00	500.00000	13,000.00

SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION

DATE : 01/27/06

PAGE : 050 - 7

TABULATION OF BIDS

CALL ORDER : 050  
 LETTING DATE : 01/17/06 2:00 P.M.

CONTRACT ID : 04.144B  
 DISTRICT : 3

COUNTIES : Anderson

LINE NO / ITEM CODE / ALT ITEM DESCRIPTION	QUANTITY		(( 1 ) 1UN002 UNITED CONTRACTORS, INC.		(( 2 ) 1SL002 SLOAN CONSTRUCTION CO., INC.		(( 3 ) 1DA002 DANE CONSTRUCTION, INC.	
			UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
0780 1072310 TEMPORARY SHORING WALL TEMPORARY SHORING WALL	90.000	LF	1500.00000	135,000.00	185.00000	16,650.00	500.00000	45,000.00
0790 2028100 REMOVAL & DISPOSAL OF EXISTING BRIDGE REM. & DISP. OF EXIST. BRIDGE	LUMP		125000.00000	125,000.00	100000.00000	100,000.00	75000.00000	75,000.00
0800 7011400 CONC. FOR STRUCTURES - CLASS 4000 CONC. FOR STRUCTURES - CLASS 4000	671.600	CY	900.00000	604,440.00	625.00000	419,750.00	875.00000	587,650.00
0810 7023200 GROOVED SURFACE FINISH GROOVED SURFACE FINISH	1265.000	SY	5.00000	6,325.00	4.00000	5,060.00	3.05000	3,858.25
0820 7031200 REINF. STEEL FOR STRUCTURES (BRIDGE) REINFORCING STEEL FOR STRUCTURES (BR.)	209261.000	LB	0.80000	167,408.80	0.75000	156,945.75	1.25000	261,576.25
0830 7031220 HOOP REINFORCING STEEL FOR STRUCTURES (BRIDGE) HOOP REINFORCING STEEL FOR STRUCTURES (BR.)	38346.000	LB	1.20000	46,015.20	1.30000	49,849.80	1.25000	47,932.50
0840 7042000 PRESTRESSED CONC. BEAM (TYPE II) PSC. BEAM (TYPE II)	1770.000	LF	125.00000	221,250.00	125.00000	221,250.00	145.00000	256,650.00
0850 7051000 CONCRETE BRIDGE BARRIER PARAPET CONC. BRIDGE BARRIER PARAPET	616.000	LF	200.00000	123,200.00	56.00000	34,496.00	115.00000	70,840.00
0860 7051910 CONCRETE BRIDGE BARRIER PARAPET TRANSITION CONC. BRIDGE BARRIER PARAPET TRANSITION	4.000	EA	3000.00000	12,000.00	2000.00000	8,000.00	1200.00000	4,800.00
0870 7111560 REINF. PILE TIPS (HP14 X 73) REINF. PILE TIPS (HP14X73)	12.000	EA	200.00000	2,400.00	210.00000	2,520.00	190.00000	2,280.00
0880 7112220 STEEL H BEARING PILING (HP14 X 73) STEEL H-BEARING PILING (HP14X73)	444.000	LF	100.00000	44,400.00	53.00000	23,532.00	65.15000	28,926.60
0890 7120010 CROSSHOLE SONIC LOGGING SETUP CROSSHOLE SONIC LOGGING SETUP	15.000	EA	4000.00000	60,000.00	810.00000	12,150.00	275.00000	4,125.00
0900 7120162 DRILLED SHAFT WITH ROCK EXCAVATION - 48" DIAMETER DRILLED SHAFT WITH ROCK EXCAVATION - 48" DIA.	75.000	LF	5500.00000	412,500.00	3600.00000	270,000.00	2150.00000	161,250.00