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GOVERNMENT AFFAIRS UPDATE

Associated General Contractors (AGC) of Ohio's *Government Affairs Update* provides information about government related matters of interest to the commercial building industry and AGC's advocacy efforts. It is e-mailed to AGC of Ohio members and available online at www.agcoho.com/advocacy.html. Direct questions and comments to Andrea Ashley, Vice President of Government Relations: andrea@agcoho.com or (614) 486-6446.

May 16, 2016

LEGISLATION PROHIBITING RESIDENCY MANDATES PASSES BOTH CHAMBERS

As expected, the Senate favorably passed [HB 180](#) (Maag, R-Lebanon). The 23-10 vote was along party lines. Last year, the measure received bipartisan support in the Ohio House.

The bill will now go to Governor Kasich for his signature. Some cities that opposed the legislation are pressuring the Governor to veto it. Based on conversations with the Governor's staff, the bill's supporters are hopeful he will allow it to be enacted. [HB 180](#) would take effect 90 days after it becomes law.

It is possible a city (or cities) could sue and try to delay the bill's implementation citing home rule. [HB 180](#) is modeled after an earlier law prohibiting political subdivisions from imposing residency requirements on their own employees, and that law was upheld by the Ohio Supreme Court. As a result, we are hopeful the measure would withstand a court challenge.

AGC of Ohio worked closely with the Ohio Contractors Association (OCA) and the Ohio Operating Engineers to ensure passage of the legislation. We thank our members and the AGC divisions that reached out to elected officials in support of prohibiting residency mandates.

EPA COMPLIANCE ASSISTANCE CONFERENCE

Ohio EPA will host its Compliance Assistance Conference on August 30-31, 2016. The general agenda for the two-day conference covers a variety of environmental compliance-related topics including:

- EPCRA, TRI and RMP Reporting
- Air Permitting Basics and Reporting
- Preparing for an Ohio EPA Inspection
- Hazardous Waste Requirements
- Rules, Policy and Regulatory Changes that Could Affect Your NPDES Permit
- SPCC Requirements
- Reporting When Things Go Wrong
- Beneficial Use and the Future of Solid Waste Management in Ohio
- NPDES Permits and Electronic (e-DMR) Reporting and GIS Capabilities at Ohio EPA
- Online Tools to Help Your Business
- Major Source/Title V Permitting and New Source Review (NSR)
- Ohio EPA's Enforcement Program/Direction, Priorities and Updates
- Storm Water Requirements for Industrial Activity
- Wetland Requirements for Construction . . . and much more!

View the complete agenda and register for the event at: http://epa.ohio.gov/compliance_conference.aspx.

BILLS OF INTEREST TO CONTRACTORS

- HB180 RESIDENCY REQUIREMENTS (MAAG R)** To prohibit a public authority from requiring a contractor to employ a certain percentage of individuals from the geographic area of the public authority for the construction or professional design of a public improvement.
Status: 5/11/2016 - **PASSED BY SENATE**; Vote 23-10
6/30/2015 - **PASSED BY HOUSE**; Vote 62-31
AGC Action: AGC strongly supported HB 180 and its companion bill, SB 152. Provided testimony multiple times; met and spoke with legislators; worked closely with OCA, Operating Engineers and other industry supporters.
- HB207 WORKERS' COMPENSATION-SURPLUS FUND (HENNE M, MCCOLLEY R)** To allow a state fund employer to have a workers' compensation claim that is likely to be subrogated by a third party paid from the surplus fund account in the state insurance fund rather than charged to the employer's experience.
Status: 5/11/2016 - Consideration of Senate Amendments; House Concurs, Vote 96-0
5/4/2016 - **PASSED BY SENATE**; Vote 33-0
12/1/2015 - **PASSED BY HOUSE**; Vote 94-0
AGC Action: AGC supported the bill; provided joint testimony with other construction associations, discussed it with BWC and other interested parties.
- HB233 REDEVELOPMENT DISTRICTS (SCHURING K)** To authorize municipal corporations to create downtown redevelopment districts and innovation districts for the purposes of promoting the rehabilitation of historic buildings, creating jobs, encouraging economic development in commercial and mixed-use areas, and supporting grants and loans to technology-oriented and other businesses.
Status: 5/6/2016 - **SIGNED BY GOVERNOR**; effective in 90 days
- HB503 AGENCY RULE-MAKING (DUFFEY M)** To reform agency rule-making and legislative review thereof.
Status: 5/18/2016 - House Government Accountability and Oversight, (Fourth Hearing)
- HB523 MEDICAL MARIJUANA (HUFFMAN S)** To authorize the use of marijuana for medical purposes and to establish the Medical Marijuana Control Program.
Status: 5/18/2016 - Senate Government Oversight and Reform, (Third Hearing)
5/10/2016 - **PASSED BY HOUSE**; Vote 71-26
AGC Action: AGC submitted testimony before the House Medicinal Marijuana Taskforce about protecting companies' drug free workplace (DFWP) policies and giving them the opportunity to include medical marijuana as a prohibited drug under DFWP policies.
- HCR7 TAX EXEMPT MUNICIPAL BONDS (SPRAGUE R)** To urge the President and the Congress of the United States to preserve the tax-exempt status of municipal bonds.
Status: 5/11/2016 - **ADOPTED BY SENATE**; Vote 33-0
2/17/2016 - **ADOPTED BY HOUSE**; Vote 93-0
- SB152 GEOGRAPHIC EMPLOYMENT REQUIREMENTS (UECKER J)** To prohibit a public authority from requiring a contractor to employ a certain percentage of individuals from the geographic area.
Status: 5/4/2016 - Consideration of House Amendments; Senate does not concur, Vote 25-8
5/3/2016 - **PASSED BY HOUSE**; Vote 51-45
2/3/2016 - **BILL AMENDED, PASSED COMMITTEE**, House State Government, PLA Amendment
6/25/2015 - **PASSED BY SENATE**; Vote 21-11
4/29/2015 - Introduced
AGC Action: AGC strongly supported HB 180 and its companion bill, SB 152. Provided testimony multiple times; met and spoke with legislators; worked closely with OCA, Operating Engineers and other industry supporters.
- SB235 INCREASED VALUE-PROPERTY TAX (BEAGLE B, COLEY W)** To exempt from property tax the increased value of property on which industrial or commercial development is planned until construction of new commercial or industrial facilities at the property commences.
Status: 5/4/2016 - **PASSED BY SENATE**; Vote 22-11
AGC Action: AGC testified in support of the bill; worked with interested parties and legislators.
- SB310 CAPITAL APPROPRIATIONS (OELSLAGER S)** To make capital appropriations and changes to the law governing capital projects for the biennium ending June 30, 2018.
Status: 5/4/2016 - **PASSED BY HOUSE**; Vote 95-1
4/20/2016 - **PASSED BY SENATE**; Vote 32-1

OFCC WORKS TO IMPROVE OAKS-CI; SHARES ISSUES AND PROPOSED SOLUTIONS

AGC of Ohio has had members express concern about OAKS Capital Improvements (OAKS CI), the cradle-to-grave construction management system for State of Ohio-sponsored capital improvement projects. The AGC of Ohio Board of Directors shared those concerns with David Williamson, executive director of the Ohio Facilities Construction Commission (OFCC), when he met with the Board in January.

Since then, OFCC has been working with AGC and other interested parties. The agency indicated it will be “as responsive as possible to the industry.” And it “is dedicated to improving processes and systems and continuing to working with AGC and others on this.”

To aid in the process, OFCC has broken down the issues and either the solution the agency intends to use (proposed solution) or the solution that has already implemented (implemented solution). As OFCC continues to move forward on the upgrade of the system and making these enhancements, the agency will be communicating this progress to all users on a regular basis.

Please review the information below, and let us know if there are other concerns not provided. Additionally, be sure to inform us of any issues with the implementation of these solutions. Direct questions and feedback to Andrea Ashley at andrea@agcoho.com or Rich Hobbs rjh@agcoho.com at AGC of Ohio (614) 486-6446.

Accessibility:

Issue(1): The legacy OAKS CI requires an old version of MS Explorer.

- **Solution:** New cloud-based version of OAKS CI allows access from multiple web browsers as well as mobile platforms including smart phones and tablets.
- **Status:** In Progress -- OFCC anticipates completing our full transition of active projects from the legacy system to the cloud by the end of 2016. All new projects have been initiated directly into the cloud-based version of OAKS CI.

Cumbersome Processes:

Issue(2): It takes a long time to enter a Schedule of Values (SOV).

- **Solution:** The list of WBS Codes have been significantly reduced, and an Excel spreadsheet can be used to upload the initial SOV into OAKS CI.
- **Status:** Completed

Issue(3): It takes a significant effort to document monthly pay applications.

- **Solution:** A streamlined SOV entered in OAKS CI with detailed backup attached for each subcontract reduces the data entry required in the system.
- **Status:** Completed

Issue(4): The initial SOV can be uploaded from an Excel spreadsheet, but it cannot be used to for submission of a monthly pay application.

- **Solution:** While OFCC can configure the software to adapt to our business processes, the underlying software can only be modified or updated by Oracle.
- **Status:** Oracle enhancement has been requested.

Issue(5): The signing of Contract Documents using OAKS CI workflows requires cumbersome and repeated downloading of documents, signing them by hand, scanning and uploading them into OAKS CI and forwarding it to the next party for their signature.

- **Solution:** OFCC is currently expanding the use of DocuSign, a third party secured web based electronic signature solution. This allows all recipients to quickly and easily receive documents through standard email and sign them electronically.
- **Status:** In Progress; 50% of documents are completed; target completion summer 2016

Functionality Obstacles:

Issue(6): If a negative or deduct value is entered into OAKS CI, all financial business processes are halted and terminated until the deduct value has been completely processed through the system. This prevents pay applications and other change orders from being processed.

- **Solution:** This obstacle is inherent to Oracle’s Primavera Unifier product, a third party off-the-shelf software. While OFCC can configure the software to adapt to our business processes, the underlying software can only be modified or updated by Oracle. We have been told by Oracle that the newest versions of the software have addressed or mitigated this issue, but OFCC has not verified that yet. The potential solution is to upgrade our cloud environment to the latest version of Unifier.
- **Current Best Practice:** To mitigate this obstacle, teams can coordinate their actions during a progress meeting to expedite the process.
- **Status:** In Progress – Oracle is provisioning the environment, target completion date for the upgrade is summer 2016

Budget/Cost Tracking:

Issue(7): There is no link between OFCC’s master planning tools, where budgets are created, to OAKS CI where the projects are managed. There is also no permanent solution to address the differences between delivery methods when developing a detailed project budget.

- **Solution:** OFCC is currently developing a budget allocation tool that links with our master planning data and pushes it into OAKS CI for accurate and consistent budget tracking.
- **Status:** In-Progress with a target completion date of June 2016

Issue(8): There is no consistent and centralized method for developing, updating and reporting financial progress through the use of cumulative budget/cost curves (S-curves) for managing cash flow.

- **Solution:** OFCC will be developing an automated method that uses historical information in conjunction with our master plan budgets and actual costs tracked in OAKS CI to create and maintain “draw-down schedules”.
- **Status:** Not Started, Target completion date is Fall 2016

Note: In addition to these concerns, other common concerns relate more directly to the quality of the information submitted and not directly attributable to OAKS CI. These common concerns, which can significantly delay processing times, generally relate to inaccurate or inadequate information or backup for change orders and pay applications. This has been a long-standing issue, and unfortunately software solutions cannot prevent these issues. It requires communication and cooperation within the team, which OFCC stands as a partner to help.

UPCOMING PROGRAMS/EVENTS

AGC of Ohio Safety Meeting & Luncheon

- June 10; More information/register at www.tfaforms.com/420985

OFCC Conference: Additional information and registration will be provided in the coming weeks. Follow OFCC on Twitter for conference updates: @OHFacilities

- August 24 - Columbus #1
- September 22 - Cleveland
- September 28 - Cincinnati
- October 12 - Columbus #2

AGC of America Webinars

- **FREE! Construction Tech - Yesterday, Today, Tomorrow:** May 19, 2-3:00pm; learn more/register [here](#)
- **Implementing Planned Percent Complete in Your Organization or Project Team:** May 24, 2-3:00pm; learn more/register [here](#).
- **FREE! Keep Your Doors Open: 7 Signs That You Need a New Project Management Solution:** May 31, 2-3:00pm; learn more/register [here](#)



ON THE NATIONAL FRONT... *Information courtesy of AGC of America*

AGC TAKES STANCE AGAINST MANDATORY ONLINE REPORTING OF CONSTRUCTION SITE STORMWATER MANAGEMENT PLANS: *Contractor Input Needed; AGC Preparing to Comment by May 26 Deadline*

[As previously reported by AGC](#), the U.S. EPA is accepting public comment on its draft 2017 National Pollutant Discharge Elimination System (NPDES) Construction General Permit (CGP) until May 26. AGC has taken numerous actions over the last several weeks to inform the EPA staff of AGC's main concerns with the agency's proposed draft, but more input from the construction industry would be helpful to shape the final rule. The paramount concern is the possible addition of a brand-new requirement that would make construction site "operators" publicly report (via an Internet post) their construction stormwater pollution prevention plans (SWPPPs). Please [use AGC's draft discussion document](#) to [share your concerns with EPA](#) by the May 26 comment deadline. Although EPA's CGP directly applies in only a handful of states and territories, it serves as a national model for state-issued CGPs.

AGC is very concerned by EPA's attempt to "add on" electronic SWPPP reporting – in the midst of an already insufficient 45-day comment period on the draft 2017 CGP. As AGC has explained to EPA, the published SWPPP data would be "stale" as soon as it hits the Web, which would confuse the general public, subject the construction sector to unfair scrutiny, and lead to unsubstantiated citizen complaints (or, even worse, frivolous lawsuits). All of this will, in turn, force needless government inspections and thwart construction work, including critical infrastructure improvements that are necessary to environmental gains – wasting government's limited resources and taxpayer dollars. AGC is building a strong case against online SWPPPs – and is working closely with the homebuilders and other real estate and development groups.

AGC's request for an extension of the CGP comment period was denied. AGC and others continue to stress that it will be difficult for industry stakeholders to carefully examine and reach consensus on viable alternatives to many contentious CGP revisions under consideration, including how SWPPPs for thousands of construction sites across the United States are collected by the government and then shared with – and used by – the public at large.

[Read more details on the proposal here](#). For more information, please contact AGC of America's Leah Pilconis at pilconisl@agc.org.