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# Infrastructure

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## Reflecting on Progress



As my tenure as President of the AGC of Texas draws to a close, I am deeply grateful for the honor and privilege to have served this distinguished organization. It has been an incredible journey working alongside each one of you, and I am immensely proud of all that we have achieved together in 2023.

Our collective efforts have propelled us to new heights, marking significant milestones in the heavy highway construction industry and fostering growth and innovation within our membership.

Throughout the past year, we tackled challenges head-on, adapting to evolving landscapes, and overcoming obstacles with resilience and determination.

Together, we have forged robust partnerships, advocated for vital legislative changes, and championed initiatives that have not only elevated the construction sector but also contributed to the betterment of our communities across Texas. Our commitment to excellence, safety, and personal responsibility has been the cornerstone of our accomplishments.

Our collaborative endeavors have not only enhanced our professional capabilities but have also set a precedent for the future of construction in our state.

I am confident that the AGC of Texas is in capable hands. It is with great pleasure that I extend a warm welcome and offer my full support to Wade Miller, who will assume the presidency in 2024. With President Miller at the helm, I have no doubt that the association will continue to flourish, innovate, and thrive.

In closing, I extend my heartfelt gratitude to each member, partner, and supporter of the AGC of Texas. Your unwavering dedication and passion for our industry have been the driving force behind our success. It has been an honor leading this esteemed organization, and I look forward to witnessing the continued prosperity and advancement under new leadership.

Thank you once again for your trust, collaboration, and tireless efforts.

Stacey Bryant AGC of Texas President

### Envisioning the Future



As we bid farewell to an eventful and prosperous 2023, I am delighted to join in celebrating the remarkable achievements and unwavering dedication that have defined our association throughout the year. The collective efforts of our members have positioned the AGC of Texas as a beacon of excellence within the construction industry.

In the past year, our collaborative endeavors have yielded tremendous growth, innovation, and resilience. We have navigated

challenges with fortitude, adapted with ease, and consistently raised the bar for industry standards. The dedication and commitment displayed by each member have been instrumental in propelling our association forward.

Looking ahead to 2024, I am filled with a sense of optimism and enthusiasm for what lies on the horizon. With the wisdom and guidance of outgoing AGC of Texas President Stacey Bryant and the appointment of Wade Miller as the new President of the AGC of Texas in 2024, we are poised for continued growth, innovation, and progress. President Miller brings a wealth of experience, vision, and determination to lead our association toward new heights of success.

As we embark on this new chapter, I encourage each member to continue their steady support, active engagement, and collaborative spirit. Together, we will build upon the foundation laid in 2023, harnessing our collective strengths to overcome challenges and seize opportunities that lie ahead.

I extend my deepest appreciation to the AGC of Texas membership and leadership for your dedication and commitment to the AGC of Texas. Your contributions have been invaluable in shaping our success, and I am confident that together, we will achieve even greater milestones in the coming year.

Let us march forward into 2024 with renewed determination, unity, and a shared commitment to excellence.

Jennifer Woodard AGC of Texas CEO

Jennifer Woodard

# Scholarship Gala

Gary Scharrer, AGC of Texas Staff

The scholarship fundraising goal fell a tad short of where AGC of Texas wanted to be when industry leader Johnny Weisman took the microphone and urged members to throw in \$5,000 each.

One by one, folks joined the Hunter Industries founder near the stage of Austin's Hyatt Regency. About 30 members answered the call.

And that extra effort of generosity allowed AGC of Texas to reach almost \$1.2 million from the annual gala (Oct. 18) to support scholarships for AGC member families and employees. About 25 scholarships are awarded each year, worth \$40,000 for scholarship recipients.

"The resilience of the AGC family is amazing and believing in our investment, in the next generation of roadhands is strong and sure," AGC of Texas President Stacey Bryant (Jones Bros. Dirt & Paving Contractors) said after the event.

In recent years, Weisman has capped off the fundraising portion of the gala with his appeal for additional support - amplifying his frequent pitch for AGC members to offer their "time, talent, and treasure."

About 525 people attended this year's event.

The annual scholarship gala has exceeded \$1 million in recent years, which represents a stunning number made possible with sponsorships for the reception, dinner, live auction, and entertainment along with generous bidding for auction items donated by AGC members.

"I want to thank the AGC members that sponsor and contribute auction items, as well as those generous bidders that are there every year - y'all know who you are," Bryant said. "Without them, there is no scholarship fund! I would like to offer a gentlemen's challenge to Mr. President-Elect Miller to make this event even better next year. And I also want to extend a great big warm 'thank you' to (AGC of Texas CEO) Jennifer (Woodard) and her most awesome staff for all of the time and hard work that made this Gala the highlight of the year."

Will Calame (The Levy Company) addressed the audience to launch the live auction part of the show. He is uniquely qualified to speak about the "life-changing" importance of the scholarship program.

It was about 18 years ago when Calame struggled to make his share of the rent payment while living with four other guys in a three-bedroom apartment. He remembers consuming a lot of Ramen noodles and hotdogs and occasionally running an extension cord to borrow electrical power from a neighbor.

"Things were touch and go" for Calame when he decided to apply for an AGC of Texas scholarship.

He didn't know if the response would be rejection or congratulations.

He was working for Harry Levy and the Levy Company at the time he applied. And he was rewarded.

"Winning this scholarship brought stability to my life when I needed it the most," Calame recalled.

"The scholarship not only supported me but it bought my loyalty to this industry."

He became active in the AGC's young leadership program, participated on the Chapter's Scholarship Committee, and now serves on the AGC of Texas Board of Directors.

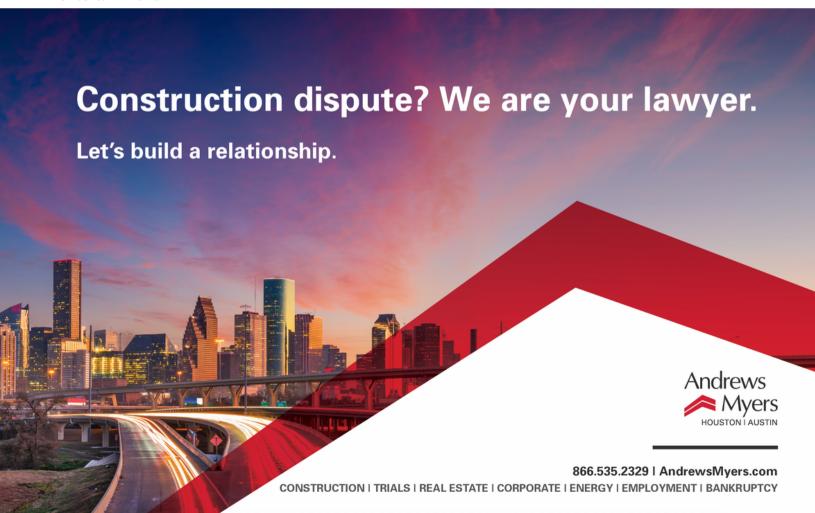
"I am in debt to this industry," Calame told colleagues. "I want to use this opportunity to say 'thank you from the bottom of my heart' and on behalf of all the people like me, thank you for supporting this program. You have changed lives, and you have changed my life."

And then he urged AGC members to "get out your checkbooks, so we can continue changing lives."

The Bryant family turned to its West Texas backyard in inviting "Flatland Cavalry," a Lubbock-based country band, to provide post-dinner entertainment.

"About a year ago Ellen and I were sitting out on the back porch with our youngest daughter, Kenzie, discussing the previous year's gala and what we should do for the coming year's entertainment when suddenly Kenz said, 'Dad, you need to get Flatland to come play for next year's Gala!' I thought to myself that would be a nice treat for the crowd to bring some boys from West Texas to play for them. I looked over at Ellen and said, 'We still know how to get in touch, right?' So some West Texas contacts were exercised over the next few weeks and in no time at all them boys were all in for our Scholarship Gala."

"From the feedback we received, I feel like it was a total success and the Flatland boys told Ellen and me that they had a blast and really enjoyed playing for our AGC family. Thank you Kenzie, Ellen, and Tracey for making this happen," Bryant said.













# Texas Bluebonnet & NASA Safety Awards

The Texas Bluebonnet Safety Awards Program, a joint partnership between the AGC of Texas and the Texas Department of Transportation, recognizes the efforts of both public and private highway constructors to reach zero fatalities in work zones.

The National AGC Safety Award Program (NASA) recognizes AGC constructors across the nation for their dedication to safety.

Congratulations to all of this year's award recipients. Applications are now open for the 2024 Texas Bluebonnet & NASA Safety Awards Program. More information about the program and the application can be found on the AGC of Texas website at www.AGCTX.org. The submission deadline is February 7, 2024.

Please contact Melanie Nickolyn at mnickolyn@agctx.org with questions.





Webber, LLC NASA Award 25% Below Division Incident Rate



Austin Bridge & Road NASA & Bluebonnet Awards 25% Below Division Incident Rate



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**Sundt Construction, Inc.**NASA & Bluebonnet Awards
25% Below Division Incident Rate



**TxDOT Austin District**Bluebonnet Award
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**TxDOT Abilene District**Bluebonnet Award
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Zero Incident Rate



James Construction Group, LLC
Bluebonnet Award
Zero Incident Rate



**TxDOT Laredo District**Bluebonnet Award
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**Zachry Construction Corporation**NASA & Bluebonnet Awards
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### **Not Pictured**

### **Texas Materials Group, Inc.**

NASA & Bluebonnet Awards, 25% Below Incidence Rate

### **TxDOT Beaumont District**

Bluebonnet Award, 25% Below Division Incidence Rate

### A Brothers Milling, LLC

NASA & Bluebonnet Awards, Zero Incidence Rate

### **Big Creek Construction, Ltd.**

NASA & Bluebonnet Awards, Zero Incidence Rate



### 2023 Constitutional Amendments Election Results

Texas voters sent a clear message in November's constitutional amendments election with overwhelming support in directing more than \$8 billion in funding for the state's crucial infrastructure needs.

AGC of Texas partnered with other industry groups to form the Texas Infrastructure Coalition and, with board approval, activated the Infrastructure Education Fund in support of Propositions 6, 7, and 8. AGC of Texas further bolstered the coalition's efforts by running a targeted digital advertising campaign to Texas Infrastructure Now supporters and registered voters in Texas.

All three propositions passed with overwhelming support.

**Proposition 6** establishes the Texas Water Fund administered by the Texas Water Development Board to support a wide range of projects including addressing aging infrastructure, mitigating water loss, and acquiring more water sources.

Approved 🕢		
77%		23%
Yes		No
1,522,070 votes	444,628 votes	

**Proposition 7** establishes the Texas Energy Fund to fund the construction, maintenance, modernization, and operation of electric generating facilities.

**Proposition 8** establishes the Broadband Infrastructure Fund allocating \$1.5 billion to enhance the availability and usage of broadband and telecommunication srvices.

Approved 🗸	
66%	34%
Yes	No
1,286,112 votes	677,259 votes

Approved		
69%	31%	
Yes	No	-
1,286,112 votes	677,259 votes	

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### THE 1924 CLUB



The 1924 Club: Where "Members Helping Members" Meets "Advocacy Helping Industry"

The 1924 Club provides a space for members to make an annual contribution to the AGC of Texas PAC and receive access to exclusive advocacy updates and opportunities to engage with legislators and statewide officials on behalf of AGC of Texas.

Annual contributions to the 1924 Club must be made with personal funds in the amount of \$1,200 annually or \$600 annually for AGC of Texas members who qualify as an FLC member (2-10 years into their career or under 40 years of age).

Member benefits include:



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Chris Mauldin Technology Sales Manager



Billy Musick, PLS Director of Research and Innovation

For more information, email technologysales@allterracentral.com

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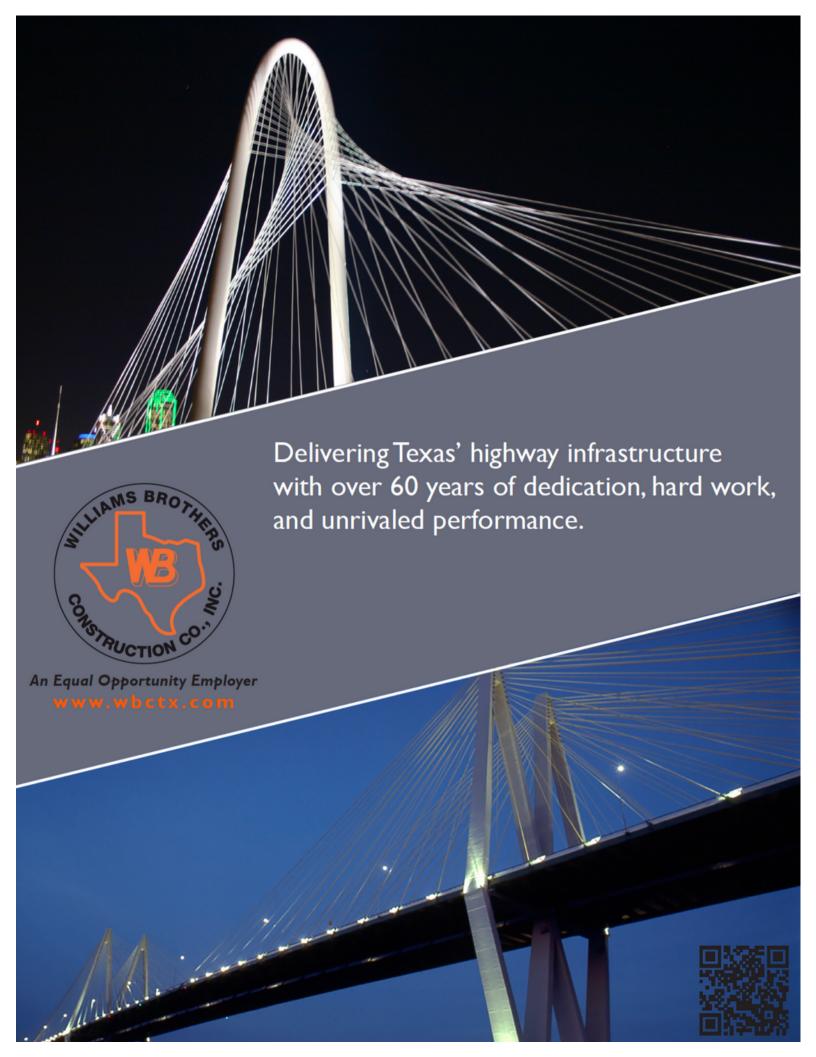














## AGC OF TEXAS MANAGEMENT CONFERENCE

### THE BROADMOOR

Colorado Springs, CO June 25-28, 2024

More information coming soon.

### THE CHANGES THAT COME WITH A

## NEW YEAR

Stephen E. Sandherr, AGC of America CEO

It seems fitting to begin the new year by pausing to reflect on the changes that inevitably come with the passing of the calendar. Our professional and business lives are so busy that it is easy to get caught up in the daily crisis of the inbox without stopping to think about how broader changes will create new opportunities and present new challenges. And while nobody can correctly predict the future, there are some changes we can clearly anticipate.

For example, 2024 will certainly bring changes in the types of projects that are in demand and the broader economic circumstances that impact our industry. This is something we try to gauge with the annual Construction Hiring & Business Outlook we craft each year with our partners at Sage. As of this writing, we are in the early stages of preparing the 2024 Outlook. Yet we can already see that several private sector categories – including lodging, retail, and office construction – are likely to slow this year while the industry has high expectations for a broad range of publiclyfunded construction projects.

The new year also brings new opportunities to support workers. This includes new resources AGC will be offering to help employee mental health, like our pending education program designed to help firms better identify when someone needs help. It also includes new opportunities to implement workforce development solutions that are based on the many successes we cataloged during the 2023 HR & Workforce Conference last fall.

The year will certainly bring new policies and political challenges. This includes new regulations and – hopefully – resolutions to legal challenges like the one we have underway with the AGC of Texas against the administration's unlawful efforts to expand Davis-Bacon requirements. The November elections have the potential to significantly change the current political landscape in Washington as well as many states. This is another reminder of the importance of everyone in this industry getting out to vote.

This March many of you will experience some of the changes we are making to further improve our Annual Convention. From building in more opportunities to learn from each other to making sure you get the most out of your experience in San Diego, we are working to make the convention the premier industry event of the year. So, make sure you are there.

The new year will bring another change in AGC. Last November I announced my plans to retire from this amazing association at the end of March 2024. At the same time, AGC of America's national officers announced the selection of our current Chief Operating Officer Jeff Shoaf to serve as your association's next CEO. I will save my final thoughts for the next Constructor issue. And you will have many opportunities to get to know and enjoy working with Jeff if you haven't already had the pleasure.

A lot is going to change this year. But what won't change is the work we do to serve the construction industry. We will continue to

fiercely advocate for our members. We will continue offering world-class educational content. And we will continue to connect you with the people and the resources you need to thrive. No matter what happens, we want 2024 to be a happy, safe and prosperous one for you and the entire industry.

The leadership and unwavering determination of Stephen Sandherr have left an indelible mark on the Associated General Contractors and the entire construction industry. Stephen's commitment excellence has elevated standards and inspired many. His legacy will continue to shape and benefit our industry for years to come. Please join AGC of Texas in wishing Stephen a fulfilling and joyous retirement. Stephen's presence and leadership will be sincerely missed.



Stephen E. Sandherr AGC of America CEO





# A Look Back at a Record-Breaking 2023

Lance Simmons, P.E., TxDOT Chief Engineer

As 2023 comes to a close, I'm proud of all that TxDOT has accomplished with the help of our partners this past year. A productive regular legislative session, record levels of transportation investment and historic levels of project delivery were just some of the highlights of 2023.

The year began with the start of the 88th Regular Session of the Texas Legislature. During the 140-day regular session, state leaders approved an increase in funding and personnel for TxDOT, provided across-the-board pay raises for state employees, worked to enhance highway safety for the state's traveling public, and passed many bills that will impact transportation.

Our Texas legislature extended both Proposition 1 and 7 funding – funding that has become the largest part of our project delivery program. Thanks to that stable source of funding, we were able to break new records in transportation investment.

In August, our Texas Transportation Commission approved a record 10-year plan, known as the Unified Transportation Program. For the first time, this plan exceeded \$100 billion to fund more than 9,000 transportation projects across Texas.

This represents a total of more than \$140 billion in total project investments to develop, design, and maintain our transportation system.

Our monthly lettings have also shattered previous records with more than \$12 billion in new highway improvement contracts this past fiscal year. And we're executing and delivering projects at record levels with contractor payments at an all-time high.

In October, we held another successful Short Course in College Station focused on the theme of "Delivering for Texas." This was a great time to reflect on how our project delivery efforts are connecting people across the state. On the engineering side, our Professional Engineering Procurement Division delivered almost 1,900 professional services contracts totaling nearly \$1.3 billion. And we're not just building new roads, we're building better roads. I am proud to say that in 2023 we hit a 25-year record-high statewide pavement condition score of 89.69.

As we look ahead to 2024, we plan to deliver another record year of contract awards. We have set a goal of \$12.3 billion in new contract awards for fiscal year '24. Building off our Rack 'em and Stack 'em effort, we expect to reach or exceed \$13 billion by the end of the fiscal year.

It's been a great year—and we couldn't have done it without our partners like AGC of Texas. I hope everyone is able to enjoy the holiday season and we look forward to partnering with you in the new year.







### 2024 Standard Spec Seminars

Registration for the 2024 Standard Specification Seminars is now open. Join AGC of Texas, in partnership with TXAPA and ACEC Texas, at seminars across the state in early 2024. Attendees will hear from speakers who will identify and discuss significant changes from the TxDOT 2014 publication and implementation of the 2024 Standard Specs publication. These events are free to attend for members of AGC of Texas, TXAPA, and ACEC Texas and \$100 for non-members.

### <u>Agenda</u>

8:30am- Registration 1:00pm- 400 Series 1:30pm- 500 Series

9:00am- Opening Remarks & Overview
9:15am- Items 1-10
9:45am- 100 Series
10:15am- Break
2:00pm- Break
2:15pm- 600 Series
2:45pm- 700 Series

10:30am- 200 Series 3:30pm- Implementation Schedule 3:45pm- Closing Remarks

12:00pm Lunch Provided 4:00pm- Adjourn

### **Spec Seminars**

### Dallas/Fort Worth Spec Seminar | Tuesday, January 9, 2024

Renaissance Dallas North Hotel | 1150 LBJ Freeway Dallas, TX 75234

### <u>Lubbock Spec Seminar | Wednesday, January 31, 2024</u>

Overton Hotel & Conference Center | 2322 Mac Davis Lane Lubbock, TX 79401



### Odessa Spec Seminar | Wednesday, February 14, 2024

Odessa Marriott Hotel & Conference Center | 305 E 5th Street, Odessa, TX 76761



### Houston Spec Seminar | Tuesday, February 20, 2024

Westin Oaks Hotel | 5010 Westheimer Road, Houston, TX 77056



### Corpus Christi Spec Seminar | Tuesday, February 27, 2024

Holiday Inn - Downtown Marina | 707 N Shoreline Blvd, Corpus Christi, TX 78401



### San Marcos Spec Seminar | Thursday, February 29, 2024

Embassy Suites - San Marcos | 1001 E McCarty Lane, San Marcos, TX 78666



### Tyler Spec Seminar | Thursday, March 21, 2024

WT Brookshire Conference Center | 2000 W Front Street, Tyler, TX 75702



Please contact Lynn Geddis at Igeddis@agctx.org with questions regarding the 2024 Standard Spec Seminar Series.

# Changes to Davis-Bacon: What We *Do* and *Do Not* Know

Prianka Sharma, ARTBA Vice President & Counsel, Regulatory Affairs

By now, you may have heard that changes are coming to the regulations concerning the Davis-Bacon Act (DBA)—the prevailing wage law for direct federal and federal-aid projects. First proposed by the U.S. Department of Labor (DOL) Aug. 8, the new regulations took effect Oct. 23, and the Federal Highway Administration (FHWA) has already published a new Form 1273. Contractors with direct federal and federal-aid projects are affected.

ARTBA submitted comments to DOL prior to the rule's finalization, pointing out that the draft language was too broad and overly burdensome. DOL's final product was somewhat responsive to ARTBA's concerns and specifically referenced our comments. But it also left several gray areas. For example:

- 1. The initial proposal expanded DBA coverage beyond active project sites. The new rule narrows the scope of coverage to locations where a significant portion of work is performed, and where the site is established for the exclusive performance of the covered contract.
- 2. ARTBA raised concerns that the prevailing wages for the time that off-site drivers and materials providers spend on the worksite would be subject to DBA wages even if that time was negligible. In the final rule, DOL allows for "de minimis" exceptions and/or exemptions but as several members have alluded to, there are gray areas and questions about when these exemptions apply.
- 3. The initial proposal redefined the term "area" for highway construction projects. DOL now allows multi-county wage data to be averaged together to calculate the prevailing wage. This means that rural and urban wage data may be combined.
- 4. The final rule clarifies the difference between licensed surveyors who are salaried professionals—and not subject to the DBA—and workers surveying on sites. The rule allows for "learned professional" exemptions but the definition of learned professional may vary depending on state licensing requirements.

### Additional provisions of note:

1. DOL will be permitted to issue wage determinations when survey data is insufficient. As a result, wage determinations can be based on factors that may not paint the entire wage picture. DOL can use any number of sources for determining the wage including existing project labor agreements.

- 2. The prevailing wage will now be set if it's paid to at least 30 percent of surveyed workers in a given area. This is a change from the current 50 percent and may result in wage rate increases.
- 3. Prime contractors are responsible for DBA compliance by subcontractors and will be liable if subcontractors don't pay a prevailing wage.

A recently recorded ARTBA webinar with DOL and labor law experts is available in the members' only section of artba.org to help our members better understand these changes and how they will impact their firms.

As the new DBA rule moves to the implementation stage, ARTBA remains in close contact with both DOL and FHWA.

### Editors Note: AGC of Texas Joins AGC of America in Challenging the Unlawful Effort to Expand the Reach of the Davis-Bacon Law

In November, AGC of America filed a lawsuit in the U.S. District Court for the Northern District of Texas to block the Biden Administration's unlawful effort to expand the reach of a decades-old law that governs wage rates on federally funded construction projects. AGC of Texas and AGC of Texas General Member J. Lee Milligan, Inc., have joined AGC of America as plaintiffs in the lawsuit.

"As an industry that largely pays above existing Davis-Bacon rates, our concerns are with the administration's unconstitutional exercise of legislative power and not with the wage rate themselves," Stephen E. Sandherr, the chief executive officer of the Associated General Contractors of America said in a statement. "But we are challenging the president's unlawful efforts to expand a construction wage law to cover a wide range of manufacturing and shipping operations."

The association is seeking to have the court order the administration to roll back its efforts to expand Davis-Bacon requirements to categories of work that were excluded in the initial legislation. Likewise, the association is urging the court to block the administration from retroactively imposing Davis-Bacon requirements on executed contracts that did not include the provisions. However, the association is not challenging the Biden Administration's efforts to revert to an earlier process for determining the prevailing wage rates for federally funded construction projects.

AGC of Texas will keep our members up-to-date on the lawsuit as information becomes available.







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