

# WV DOT Newsletter

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WEST VIRGINIA  
Department of Transportation



## SUPPORTIVE SERVICES

- Estimating Training
- Building Capacity
- Mobilization Financing
- Bonding Assistance
- Marketing Plan Development
- Creating a Business Plan
- Building a Website
- Plan Reading



## WVDOH Announces Award of Big Creek Arch Bridge, a Roads to Prosperity Project

A project to replace a 106-year-old bridge in McDowell County, awarded by the West Virginia Division of Highways on Thursday, January 20, is paid for with bond sales from Gov. Jim Justice's \$2.8 billion Roads to Prosperity program.

SMH Construction Company Inc. was awarded a contract for \$1,612,978.90 to replace the Big Creek Arch Bridge in McDowell County. Built in 1916, the bridge carries WV 16 over Big Creek just east of the community of Berwind.

The bridge is crucial to travel in southern McDowell County. Failure to replace the bridge would result in lengthy detours for drivers and commercial traffic.

The bridge is paid for with \$423 million raised by the West Virginia Parkways Authority from a bond sale in June 2021. The bond sale was part of Gov. Justice's Roads to Prosperity program.

Several factors are considered before awarding a bid, including whether a bid falls above or below the WVDOH Engineer's Estimate and by what percentage. In cases where a bid is above the Engineer's Estimate, WVDOH must consider the project need, repercussions of not awarding the project, additional funding sources, and whether or not sufficient reasons exist for the differences in estimates. Most projects are reviewed, analyzed, and awarded within a week of the bid letting, but the process can take longer.

When the Division of Highways has a project that is determined to be best constructed by a contractor, it is processed through the bid letting system.

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## Contract Disruptions: Navigating Supply Constraints and Labor Shortages

The biggest worries in today's economy—supply chain disruptions, labor shortages and the worst inflation in decades—are creating big headaches in the construction industry. What's worse, large projects underway are often based on contracts hammered out pre-pandemic, before the uncertainties and disruptions that spread around the globe with COVID-19. Construction firms find themselves executing on contracts signed when the potential for delayed timelines and rising costs seemed more remote. A recent report from the U.S. Chamber of Commerce finds almost all contractors (93%) say they are experiencing a shortage of an important product such as steel, lumber or copper. A rising number of companies on commercial projects (54%) also cite difficulty finding skilled workers. Grant Thornton clients, among them some of the country's biggest construction companies, report that sourcing materials and hiring workers is a bigger challenge today—and more expensive—than at any other time in recent decades.

These are issues that can easily threaten the already thin profit margins of many builders. Construction firms need a sharp focus on how to manage through this period while avoiding the pitfalls that might damage relationships with owners or subcontractors. And even as they do this, they need to plan how to address ongoing shortages of supplies and labor so they can successfully tap into the new business opportunities stemming from the giant boost in infrastructure spending Congress recently approved.

There are several ways builders can adjust.

### Know The Contract

The first step: Review your contracts. Attorneys should be looking for language that's relevant to the question of who will be responsible for increased costs or delays and what can be billed to the owner. They may also be searching for any communication relevant to such issues, even outside of the actual contract, if it will help provide leverage as change orders are negotiated. Companies may benefit by developing a contract cheat sheet, listing ten to fifteen key points to be discussed with owners and subcontractors to help align expectations among all parties.

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## About The WVDOT

The goal of the DBE Supportive Services Program is to increase the number of DBEs participating on WVDOT contracts and facilitate the opportunity for DBEs to obtain contracts. The services are designed to:

- Assist established construction firms to move them from bidding as a subcontractor to bidding as a Prime Contractor to produce sound bids.
- Provide access to training increases DBE expertise in handling of daily business operations.



**CEI DBE Supportive Services**  
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