



STATE OF WASHINGTON
DEPARTMENT OF LABOR AND INDUSTRIES

Specialty Compliance Services
PO Box 44400 • Olympia, Washington 98504-4400

June 30, 2011

John Payne
Davis Grimm Payne & Marra
701 Fifth Avenue, Suite 4040
Seattle, WA 98104

Re: Request for Redetermination for Manufactured Tunnel Liner segments; Sound Transit U-220 and U-230 Projects

Dear Mr. Payne:

This letter is in response to your May 11, 2011, request for a redetermination of the Industrial Statistician's determination related to the appropriate classification and prevailing wage rate for Traylor-Technopref Precast, LLC's manufacturing of tunnel liner segments on the Sound Transit U-220 and U-230 projects.

The answer below is limited to the facts of this particular project and the information you provided, as well as my review of a number of documents related to this issue. The documents I reviewed include, but are not limited to:

- Your correspondence
- David Soma's April 5, 2011, determination letter to Washington Fair Contracting Foundation
- The remainder of the exhibits contained in your appeal
- The WAC scope of work descriptions
- Ms. Miriam Moses letter of May 4, 2011, and attached documentation to Ms. Ann Selover, Acting Industrial Statistician
- Prior prevailing wage decisions

In his April 5, 2011 letter, Industrial Statistician David Soma determined that outside construction rates should apply to Traylor-Technopref's construction of the referenced tunnel liner segments. During my review, I received additional documentation that it appears was not available to Mr. Soma at the time he issued his decision. The additional information he appears not to have had is the following:

1. Traylor-Technopref, while new to Washington, has been in the prefabrication business for over 16 years in other states. In fact, it is my understanding that Traylor-Technopref has produced very similar tunnel liner products in other states for many years and for many different projects.

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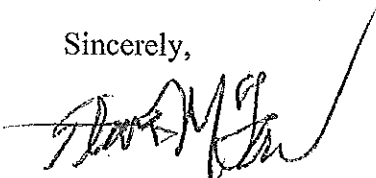
2. The fabricating plant where the tunnel liners will be constructed and then shipped to the tunnel boring project has historically produced a variety of prefabricated concrete products other than tunnel liners and continues to do so.
3. Traylor-Technopref did not relocate to this facility solely for the purpose of the U-220 and U-230 projects, but plans to perform work on many tunneling projects in Washington from this facility.

Mr. Soma had determined that in this instance Traylor-Technopref could not use off-site rates because the information he had at the time of his determination left him with the understanding that the fabrication plant was being expanded for the sole purpose of completing the U-220 and U-230 project and that no other products were being produced at the plant. It is my understanding that this plant has a long history of producing other prefabricated concrete products and that the additional fabrication of tunnel liners adds to the list of products made at this plant. I also believe that Traylor-Technopref has been engaged in the production of tunnel liners for many years.

Based on the new information I have received during this review, I have determined that neither the fabrication plant nor Traylor-Technopref exists for the sole purpose of fabricating segments for the U-220 and U-230 projects. Given this new information, I believe the fabrication of the tunnel liners by Traylor-Technopref on the U-220 and U-230 projects may be compensated at the fabricated precast concrete products rate.

If any party in interest disputes this redetermination, you must file a petition for arbitration of this redetermination pursuant to WAC 296-127-060 and WAC 296-127-061 within 30 days to the Director of Labor & Industries at the address listed above. If you have further questions about my decision, please feel free to contact me at (360) 902-6348.

Sincerely,



Steve McLain
Assistant Director

cc: Ann Selover, Acting Industrial Statistician and Prevailing Wage Program Manager
Earl Smith, Washington Fair Contracting Foundation
Chris Hebert, Traylor Technopref Precast, LLC