



STATE OF WASHINGTON  
DEPARTMENT OF LABOR AND INDUSTRIES  
*Prevailing Wage*  
PO Box 44540 • Olympia, Washington 98504-4540  
360/902-5335 Fax 360/902-5300

July 26, 2012

James E. Sorensen, President and CEO  
EnCon Washington, LLC.  
1660 Lincoln Street, Suite 1800  
Denver, CO 80264

Re: Established Precast Concrete Products Manufacturer in the State of Washington; Precast Concrete Tunnel Liners; SR 99 Alaskan Way Viaduct Replacement Tunnel Project

Dear Mr. Sorensen:

Thank you for your June 26, 2012 letter asking for a determination of the appropriate prevailing rate of wage for off-site fabrication of precast segmented concrete tunnel liners for the tunnel that will replace the Seattle Alaskan Way Viaduct, SR 99. This work would be performed at EnCon's Puyallup, Washington facility located at 5415 189<sup>th</sup> Street E.

The Puyallup plant was built by Concrete Products, Inc. in 1995. The facility was sold to EnCon in 1999. The plant is certified by the Precast/Prestressed Concrete Institute and has been in continuous operation serving multiple applications and customers at least since 1999 when it was purchased by EnCon. The department previously identified this Puyallup EnCon precast concrete products plant as an existing facility in Puyallup during some research it performed around May of 2011.

The tunnel liner segments will be used to make rings which will be assembled on the construction site during tunnel boring. As you describe the rings, each ring is a set of components that is identical to the next ring, and many copies of the same exact set of segments composing a ring are used in the final project. Your work is the shop manufacture of these tunnel liner segments in repetitive steps to produce identical sets of segments.

Determinations of the prevailing rate of wage are made by the industrial statistician of the Department of Labor & Industries (L&I). See the attached document, "*Prevailing Wage Determination Request and Review Process.*"

The answer below is based on the information you provided. References to the Revised Code of Washington (RCW) and the Washington Administrative Code (WAC) are included.

We agree that the work under consideration is public work subject to chapter 39.12 RCW. RCW 39.12.020 requires that "[t]he hourly wages to be paid to laborers, workers or mechanics, upon

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Page 2 of 2

We agree that the work under consideration is public work subject to chapter 39.12 RCW. RCW 39.12.020 requires that “[t]he hourly wages to be paid to laborers, workers or mechanics, upon all public works and under all public building service maintenance contracts of the state or any county, municipality, or political subdivision created by its laws, shall be not less than the prevailing rate of wage for an hour’s work in the same trade or occupation in the locality within the state where such work is performed.”

After evaluating the totality of the specific facts and circumstances for the manufacture of these tunnel liner segments, for that work in your established manufacturing facility as described above, the correct trade and occupation is Fabricated Precast Concrete Product Workers. Based on the description you provided, the manufacture of the tunnel liner segments can be distinguished from on-site construction in design, engineering, and the nature of the complexity of the work. If the facts vary or new facts are introduced, the answer could be different.

Please note also that the transportation of these non-standard tunnel liner segments from your facility to the construction site is also part of the public work for this project and requires compliance with chapter 39.12 RCW.

Washington State prevailing wage information, including the WACs, is available on the department’s web site: <http://www.lni.wa.gov/TradesLicensing/PrevWage/default.asp>.

I appreciate your interest in prevailing wage compliance and the opportunity to address your concerns. If you have further questions, please let me know.

Sincerely,



L. Ann Selover  
Industrial Statistician  
Program Manager  
[Sela235@Lni.wa.gov](mailto:Sela235@Lni.wa.gov)  
(360) 902-5330

# Prevailing Wage Determination Request and Review Process

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RCW 39.12.015 is the basis for requesting a determination, since it provides:

All determinations of the prevailing rate of wage shall be made by the industrial statistician of the department of labor and industries.

If you disagree with a determination the industrial statistician provides, WAC 296-127-060(3) provides for a review process:

(3) Any party in interest who is seeking a modification or other change in a wage determination under RCW 39.12.015, and who has requested the industrial statistician to make such modification or other change and the request has been denied, after appropriate reconsideration by the assistant director shall have a right to petition for arbitration of the determination.

(a) For purpose of this section, the term "party in interest" is considered to include, without limitation:

(i) Any contractor, or an association representing a contractor, who is likely to seek or to work under a contract containing a particular wage determination, or any worker, laborer or mechanic, or any council of unions or any labor organization which represents a laborer or mechanic who is likely to be employed or to seek employment under a contract containing a particular wage determination, and

(ii) Any public agency concerned with the administration of a proposed contract or a contract containing a particular wage determination issued pursuant to chapter 39.12 RCW.

(b) For good cause shown, the director may permit any party in interest to intervene or otherwise participate in any proceeding held by the director. A petition to intervene or otherwise participate shall be in writing, and shall state with precision and particularity:

(i) The petitioner's relationship to the matters involved in the proceedings, and

(ii) The nature of the presentation which he would make. Copies of the petition shall be served on all parties or interested persons known to be participating in the proceeding, who may respond to the petition. Appropriate service shall be made of any response.



June 26, 2012

Department of Labor and Industries  
State of Washington  
P.O. Box 44540  
Olympus, WA 98504-4540  
Attn: L. Ann Selover, Industrial Statistician/Program Manager

Re: Determination of appropriate prevailing wage rate for fabrication of precast concrete tunnel liners; SR99 Alaskan Way Viaduct Replacement Tunnel Project

Dear Ms. Selover:

I am writing on behalf of EnCon Washington, LLC. EnCon operates a precast concrete manufacturing facility at 5415- 189<sup>th</sup> Street E in Puyallup, WA. The plant is located off Canyon Rd. south of SR 512 in Pierce County.

**Purpose**

We seek L&I's determination of the appropriate prevailing wage rate for wages to be paid to plant laborers in the fabrication of the precast concrete segments which will be used to line the SR 99 Alaskan Way Viaduct replacement tunnel in Seattle (King County). To the best of our knowledge, tunnel lining segments have previously been designated for plant prevailing wage for products produced by Concrete Technology, Inc. and Traylor-Technopref via L&I prevailing wage predeterminations issued in March of 2009 and June of 2011 respectively. We request your guidance in the applicability of these findings to our project.

**Plant**

EnCon's precast concrete manufacturing operation at Puyallup, WA was built in 1995 by Concrete Products, Inc. which had been in existence since the late 1970's in Redmond, WA. The project specifications require that the work must be performed in a PCI certified manufacturing facility. PCI only certifies permanent facilities. Concrete Products, Inc., EnCon's predecessor, was first certified in the early 1990's by the Precast/Prestressed Concrete Institute. The manufacturing operation at Puyallup was sold to EnCon Washington, LLC in July 1999. It has been in continuous operation as a PCI certified plant since then, producing a variety of commercial and transportation related concrete products, including: retaining walls, median barriers, soundwalls, full height retaining walls, component panels for mechanically stabilized earth walls and commercial wall panels.

The EnCon plant occupies 21.5 acres of which approximately ten acres will be used to store the nearly 7,000 segments that the customer requires to be stocked in inventory prior to the mobilization of its tunnel boring machine.

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Phone: 303.298.1900  
Fax: 303.296.2838

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EnCon Washington, LLC. is a wholly owned subsidiary of a national company which manufacture precast concrete elements for commercial, public works and heavy highway construction in 15 states. The Puyallup plant is one of eight EnCon plants. Tunnel segments in other parts of the country are manufactured by EnCon's competitors in plants similar to EnCon's. Although the SR 99 Alaskan Way Viaduct Tunnel will be the first segment project manufactured by EnCon, it is one of several that EnCon has pursued at its other locations and will pursue in the future. Additionally, EnCon's predecessor manufactured products similar to these segments for building sub-terranean storage facilities for the Department of Energy at the Hanover nuclear facility.

During the course of the project, as is typical of its operations, EnCon believes the plant will be fabricating products for numerous other projects (and perhaps other products for this project) including soundwalls and a number of products to be incorporated into the SR 520 rebuild.

### **Product**

The Seattle tunnel project involves the production of approximately 14,450 concrete segments which will form 1,445 identical rings of 10 segments each. Nine of the ten component segments are approximately 18'6" feet in length, 6'6" feet wide and two feet thick. These weigh 36,000 pounds each. One of the segments is the "keystone" and is much smaller.

### **Process**

The segments are produced on an "assembly line" that involves 11 work stations and a curing oven. Concrete is brought to the mold by an unmanned "flying rail bucket" and the concrete is placed in the mold by a specialized machine in an isolation chamber rather than by laborers. The tolerance of the final product is determined by the mold and not by the laborers. Quality Assurance verifies that the molds remain in tolerance. Each of the ten other stations employ 1-2 common laborers.

The curing oven consists of two chambers and provides precise curing temperatures for the 30 segments produced during each shift. It is necessary to heat the concrete to enable it to reach the required compressive strength within eight hours to allow timely de-molding and thereby reducing the number of molds and cycle-time necessary for achieving project requirements.

Supporting the assembly line are pre-assembly areas providing component storage and convergence logistics. One of the major areas of sub-assembly convergence is the receiving and assembly area for the components of the steel reinforcement cages. Certified welders will operate in this area, fixing the cages once they have been fully assembled. Although perhaps not obvious to an observer not familiar with precast, the fabrication of the reinforcement cage is a routine activity in a precast concrete plant. The welders who do this work are typically drawn from the industrial sector rather than construction.

After fabrication, the segments are stored in stacks and rows by EnCon's gantry cranes for at least 56 days until they reach full strength. The typical segment weighs 36,000 pounds and will be stacked 8-9 high. The bearing capacity of the soil in EnCon's storage yard, compacted by years of handling similar products and EnCon's existing fleet of gantry cranes was a critical advantage for EnCon in obtaining this work.

Because the manufacturing process proceeds at a much slower rate than the installation process, the customer has required that nearly half of the rings be produced in advance before the start of the installation. This requires the significant storage capacity which is available at EnCon's plant. This capacity is one of the many reasons EnCon was able to successfully bid for this project.



## Prevailing Wage Determination

In the course of preparing this application EnCon obtained copies of the following documents:

- May 14<sup>th</sup>, 2012 determination issued to Chuck Prussack of Central Pre-Mix Prestress
- June 30<sup>th</sup>, 2011 re-determination issued to John Payne of Traylor Technopref Precast
- Draft for Rule Proposal of Fabricated Precast Concrete Product Workers scope of work including changes adopted at December 20, 2010 meeting of PWAC scopes subcommittee

It appears the current state of Washington rulings on predetermination of prevailing wage support the conclusion that the production of pre-fabricated concrete tunnel liners should be compensated at the precast factory wage rate. Two determinations have been given in the past to the Concrete Technology Corporation and Traylor Technopref resulting in the application of compensation for work on production of precast tunnel liners at the fabricated precast concrete rate. The following determinations have been cited in the most recent response given to Chuck Prussack of Central Pre-Mix Prestress which is available on the State of Washington Department of Labor and Industries' website.

1. On March 3, 2009 Industrial Statistician David Soma issued a determination to Concrete Tech that concluded that Concrete Tech's Tacoma, Washington plant qualified for the prevailing fabricated precast concrete wage rate. The following is Mr. Soma's reasoning:

"This work involves the use of forms you and another company have previously used to produce tunnel liners. The tunnel liner segments are used to make rings which are assembled on the construction site during tunnel boring. Each ring is a set of components that are identical to the next ring (many copies of the same exact set of segments composing a ring are used in the final project). Your work is the shop manufacture of these tunnel liner segments in repetitive steps to produce identical sets of segments. The manufacture of the tunnel liner segments can be distinguished from on-site construction in design, engineering, and the nature of the complexity of the work."

2. On June 30, 2011 the Labor & Industries Assistant Director Steve McLain issued a re-determination to Traylor Technopref Precast that, based on new information made available, the production of tunnel liners for the Sound Transit U-220 and U-230 projects could be compensated at the fabricated precast concrete plant rates. In contrast to Mr. Soma's earlier determination in April, Mr. McLain found that although Traylor Technopref was new to Washington, it had been in the precast concrete business for over 16 year in many states and had previously produced tunnel liners for many years for many projects. Further, the plant where the tunnel liners would be produced has historically produced a variety of concrete products other than tunnel liners and continues to do so. Finally, Traylor Technopref did not relocate to the Washington facility for the sole purpose of producing tunnel liners for the U-220 and U-230 projects, but had the intent to continue production for many tunnel projects in the future.

In sum, EnCon Washington LLC has an established, PCI certified facility that produces concrete products on a continuous basis for multiple applications and multiple customers. The plant itself is a permanent, previously established manufacturing facility whose control, management, location and continuance of operation are determined wholly without regard to any particular contract or project. The facility in Puyallup employs an established continuing workforce of employees that are recruited and trained in

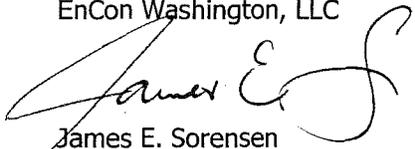


proprietary methods and operations of the plant that typically spend time on multiple projects for multiple customers daily.

The work is highly repetitious. In terms of the tunnel liners to be produced, there are 14,450 segments with only 4 different piece marks; 70% of the segments (10,115) are identical with three other variation of 1,445 each. The products are produced using 4 sets of 10 identical molds or forms that solely determine the tolerance and compliance of the final product. The tasks of all workers, including the welders, are simple and highly repetitive.

Given these many reasons, EnCon Washington LLC believes it is appropriate to compensate this work at the fabricated precast concrete plant wage rate for Pierce County. EnCon therefore seeks confirmation from the L&I that this is the appropriate wage rate for this project. If you feel you need to discuss this with us directly, I'll look forward to your call at (303) 298-1900 or you can reach me at [jsorensen@enconunited.com](mailto:jsorensen@enconunited.com). We appreciate your assistance.

Respectfully,  
EnCon Washington, LLC



James E. Sorensen  
President and CEO

JES/js





June 26, 2012

Department of Labor and Industries  
State of Washington  
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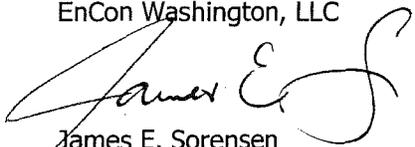


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Respectfully,  
EnCon Washington, LLC



James E. Sorensen  
President and CEO

JES/js

