STATE OF WEST VIRGINIA DEPARTMENT OF TRANSPORTATION
DISPUTE RESOLUTION BOARD
THREE PARTY AGREEMENT

THIS THREE PARTY AGREEMENT, hereinafter called “AGREEMENT”, made and entered into this ______ day of ________, 20____, between the State of West Virginia DEPARTMENT of Transportation, an agency of the State of West Virginia, hereinafter called “DEPARTMENT”, and _______________________, hereinafter called the “CONTRACTOR”, and the Dispute Review BOARD, hereinafter called the “BOARD”, consisting of the following member: ______________________.

WITNESSETH, that

WHEREAS, the DEPARTMENT and CONTRACTOR have entered a contract providing for the construction of State Project (_____________________), Federal Project ___________________________ (hereinafter the “project contract”) and

WHEREAS, the project contract provides for the establishment and operation of the BOARD to assist in resolving disputes and claim; and

WHEREAS, the DEPARTMENT and the CONTRACTOR have agreed that the BOARD shall be composed of one member selected mutually by the DEPARTMENT and the CONTRACTOR;

NOW THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, or attached or expressly incorporated and made a part hereof, the parties hereto agree as follows:

I
DESCRIPTION OF WORK

In order to assist in the resolution of disputes and claims between the CONTRACTOR and the DEPARTMENT, the DEPARTMENT has provided in the project contract for the establishment of the BOARD. The purpose of the BOARD is to fairly and impartially consider disputes placed before it and to provide written recommendations for resolution of these disputes to both the DEPARTMENT and the CONTRACTOR. The member of the BOARD shall perform the services provided in Section II, Scope of Work.

II
SCOPE OF WORK

The Scope of Work of the BOARD shall include the following:

A. Operation: The BOARD will formulate its own rules of operation based on Special Provision for the Standard Specifications for Roads and Bridges Section 105.18 – Dispute Resolution, available on the DEPARTMENT’s internet site. The Board is cautioned not to adopt inflexible rules for the internal operation for the BOARD. The procedures should be kept flexible to adapt to changing situations.

The DEPARTMENT and the CONTRACTOR will keep the BOARD informed of the construction activity and progress by submitting written progress reports and other relevant data at least monthly. The BOARD will visit the project and meet with the Engineer (as defined in the Standard Specifications for Roads and Bridges Section 101.32) and the CONTRACTOR at regular intervals and at times of critical construction events. The frequency of these visits will be as agreed to by the DEPARTMENT, the CONTRACTOR, and the BOARD, depending on the progress of the work. On projects with unresolved disputes, the BOARD will meet at least monthly until the disputes are resolved or the procedure for dispute resolution described below is exhausted.

The Board shall conduct regular meetings at the job site. Each meeting will consist of an informal round table discussion and a field inspection of the work. The round table discussion will be attended by selected personnel from the DEPARTMENT and the CONTRACTOR. The Agenda for regular meetings of the BOARD will generally include the following:

a. Meeting opened by the Chairman of the BOARD
b. Opening remarks by the Engineer.
c. A description by the CONTRACTOR of work accomplished since the last meeting, current status of the work schedule, schedule for the future, potential problems, and proposed solutions to any potential or existing problems.
d. Discussion by the Engineer of work schedule as the Engineer views it, potential new disputes or claims and any proposed solutions, status of past disputes and claims, and other controversies.
e. Set a tentative date for next meeting.
The DEPARTMENT will prepare minutes of all regular meetings and circulate them for comments, revisions, and/or approval by all concerned. Minutes as amended, will be adopted at the next meeting. The field inspections will cover all active segments of the work. The BOARD will be accompanied by representatives of both the DEPARTMENT and the CONTRACTOR. No party shall unilaterally seek any BOARD member’s advice or consultation, nor shall the BOARD member provide unilateral advice or consultation to the DEPARTMENT or the CONTRACTOR.

B. Procedure and Schedules for Dispute Resolution: The Board shall consider disputes as quickly as possible, taking into consideration the particular circumstances and the time required to prepare detailed documentation. Steps may be omitted as agreed by the DEPARTMENT and the CONTRACTOR, and the time periods stated below may be shortened in order to hasten resolution.

a. If the CONTRACTOR objects to any decision, action, or order of the Engineer, the CONTRACTOR may file a written protest with the Engineer within 14 days after the event, stating clearly and in detail the basis for the objection. The Engineer will consider the written protest and make a decision on the basis of the pertinent construction contract provisions, together with the facts and circumstances involved in the dispute. The DEPARTMENT will furnish the Engineer’s decision in writing to the CONTRACTOR with 14 days after receipt of the CONTRACTOR’s written protest.

b. The Engineer’s decision will be final and conclusive on the subject, unless a written appeal to the Board shall consider the appeal of the Engineer’s decision, the matter may be referred to the BOARD by either the DEPARTMENT or the CONTRACTOR.

d. Upon receipt by the BOARD of a written duly preserved protest of a dispute from either the DEPARTMENT or the CONTRACTOR, the parties must attempt to mutually determine when to conduct the hearing. If the matter is not urgent, it may be heard at the time of the next regular BOARD meeting. If either the DEPARTMENT or the CONTRACTOR deem the matter urgent, the BOARD will conduct a hearing at its earliest convenience.

e. The DEPARTMENT and the CONTRACTOR shall each submit to the BOARD project records or documentation related to any dispute referred to the BOARD at the earliest opportunity. Upon furnishing any written evidence or documentation or records to the BOARD shall furnish copies of such information to the other party. If the BOARD requests any additional documentation or evidence prior to, during, or after the hearing, the DEPARTMENT and/or CONTRACTOR will provide the requested information to the BOARD and to the other party.

f. The CONTRACTOR and the DEPARTMENT will each be afforded an opportunity to be heard by the BOARD and to offer evidence.

g. The BOARD will provide its recommendations for resolution of the dispute in writing to both the DEPARTMENT and the CONTRACTOR within 14 days of completion of the hearing. In cases of extreme complexity, both parties may agree to allow additional time for the BOARD to formulate its recommendations. The BOARD will focus its attention in the written report to matters of entitlement and allow the parties to determine the monetary damages. Once entitlement is determined, the parties should timely, within 60 calendar days, proceed to negotiate monetary changes. If the parties are unwilling or unable to negotiate such monetary damages within 60 calendar days, the BOARD shall be notified of the impasse and shall then proceed to schedule a hearing to make a recommendation as to monetary damages.

h. Within 14 days of receiving the BOARD’s recommendations respecting entitlement or monetary damages, both the DEPARTMENT and the CONTRACTOR will respond to the other and to the BOARD in writing, signifying either acceptance or rejection of the BOARD’s recommendations. The failure of either party to respond within the 14 day period will be deemed an acceptance of the BOARD’s recommendations by that party. If the DEPARTMENT and the CONTRACTOR are able to resolve the dispute with or without the aid of the BOARD’s recommendations, the DEPARTMENT will promptly process any required changes to the project contract.

i. Should the dispute remain unresolved, either party may seek reconsideration of the decision by the BOARD only when there is new evidence to present. No provisions in this AGREEMENT will abrogate the CONTRACTOR’s responsibility for preserving a claim in accordance with Standard Specification 105.17.

Although both the DEPARTMENT and the CONTRACTOR should place great weight on the BOARD’s recommendation, it is not binding on the parties. If the BOARD’s recommendations do not resolve the dispute, the DEPARTMENT and the CONTRACTOR agree that all records and written recommendations of
the BOARD will be admissible as evidence in any subsequent dispute resolution procedures, including without limitation proceedings in the West Virginia Court of Claims.

C. BOARD Consideration of Disputes or Claims: The BOARD may request that written documentation and arguments from both parties be sent to the BOARD and to the other party for study before the hearing begins.

Upon receipt by the BOARD of a written referral of a dispute from either the CONTRACTOR or the DEPARTMENT, the BOARD shall convene to review and consider the dispute. The time and location of BOARD meetings shall be determined by the DEPARTMENT, the CONTRACTOR, and the BOARD. Both the DEPARTMENT and the CONTRACTOR shall be given the opportunity to present their evidence at these meetings.

It is expressly understood that the BOARD is to act impartially and independently in the consideration of the Contract provisions and the facts and conditions surrounding any written referral of a dispute or claim presented to the BOARD by the DEPARTMENT or the CONTRACTOR, and that the BOARD’s recommendations concerning any such dispute or claim are advisory. The BOARD shall not discuss or communicate any matters relating to any aspect of the construction project except at duly scheduled meetings of the BOARD except for communications between the Chairman and other parties on administrative matters relating to the operation of the BOARD.

The BOARD will act as Chair of each hearing and meeting. While the BOARD will keep a record of its sessions during the consideration of a dispute, it may not be necessary for the BOARD to keep a formal record. This will depend on the nature and magnitude of the dispute and on the attitude of the parties. If possible, hearings should be kept informal. Although discouraged, formal records of the BOARD hearings may be transcribed by a court reporter if requested by one party and agreed upon by all parties. Audio and/or video recording of the meeting is discouraged. Such recordings only be made by the AGREEMENT of all parties.

The DEPARTMENT and the CONTRACTOR must each have a representative at all hearings. Should either party fail to attend the meeting or to cancel the meeting without five working days notice or other good cause shown, then that party shall be responsible for any and all charges incurred by the BOARD. The CONTRACTOR will first present its analysis of the dispute, followed by the DEPARTMENT’s position. Each party will then be allowed successive rebuttals until all aspects are fully covered. The BOARD may ask questions, request clarification, or ask for additional data. In large or complex cases, additional hearings may be necessary in order to consider and fully understand all of the evidence presented by the parties.

During the hearings, the BOARD will not express any opinion concerning the merit of any facet of the case.

At the conclusion of a hearing, the BOARD will meet in private to formulate recommendations, which must be supported. All BOARD deliberations will be conducted in private, with all views kept strictly confidential. The BOARD’s recommendations and discussions of its reasoning will be submitted as a written report to both parties. The recommendations will be based on the pertinent project contract provisions and the facts and circumstances involved in the dispute.

Either the DEPARTMENT or the CONTRACTOR, or both, may seek reconsideration of a recommendation to the BOARD. However, reconsideration will be allowed only when there is new evidence to present.

D. Construction Site Visits: The BOARD shall visit the project site to keep abreast of construction activities and to develop a familiarity with the work in progress. The frequency, time, and duration of these visits shall be as mutually agreed between the DEPARTMENT, the CONTRACTOR, and the BOARD.

In the case of an alleged differing site condition or specific construction problem, the BOARD shall if feasible personally view any relevant conditions. If viewing by the BOARD would cause delay to the project, photographs and descriptions of such conditions collected by either or both parties will suffice. No time extensions will be granted to allow the BOARD to view project conditions except by mutual consent of the DEPARTMENT and the CONTRACTOR.

E. BOARD Member Replacement: Should the need arise to appoint a replacement BOARD member, the replacement BOARD member shall be appointed in the same manner as the original BOARD member was appointed. The selection of a replacement BOARD member shall begin promptly upon notification of the necessity for a replacement and shall be completed within 30 calendar days. This AGREEMENT will be supplemented to indicate change in BOARD membership.

F. The Scope of Work provided in this Agreement may be modified by the mutual written consent of the parties.

III

CONTRACTOR RESPONSIBILITY
The CONTRACTOR shall furnish to the BOARD three sets of all pertinent documents which are or may become necessary for the BOARD to consider, except documents furnished by the DEPARTMENT. Pertinent documents are any drawings or sketches, calculations, procedures, schedules, estimates, or other documents which are used in the performance of the work or in justifying or substantiating the CONTRACTOR’s position. A copy of such pertinent documents must also be furnished to the DEPARTMENT.

Except for its participation in the BOARD’s activities as provided in the project contract and in this AGREEMENT, the CONTRACTOR will not solicit advice or consultation from the BOARD on matters dealing in any way with the project, the conduct of work, or resolution of problems.

IV
DEPARTMENT RESPONSIBILITIES

Except for its participation in the BOARD’s activities as provided in the project contract and in this AGREEMENT, the DEPARTMENT will not solicit advice or consultation from the BOARD on matters dealing in any way with the project, the conduct of the work, or resolution of problems.

The DEPARTMENT shall furnish the following services and items:

A. Contract Related Documents: The DEPARTMENT shall furnish the BOARD three copies of all Construction Contract Documents, supplemental AGREEMENTs, written instructions issued by the DEPARTMENT to the CONTRACTOR, or other documents pertinent to the performance of the Construction Contract and necessary for the BOARD to perform its function. The DEPARTMENT must also furnish to the CONTRACTOR a copy of any documents submitted to the BOARD that the CONTRACTOR does not already possess.

B. Coordination and Services: The DEPARTMENT, in cooperation with the CONTRACTOR, will coordinate the operations of the BOARD. The DEPARTMENT, through the Engineer, will arrange or provide conference facilities at or near the Contract site and provide copying services.

V
TIME FOR BEGINNING AND COMPLETION

Unless otherwise agreed to by the DEPARTMENT and the CONTRACTOR, the BOARD is to remain in operation throughout the life of the active project contract and, if needed, for a reasonable post-construction period following final acceptance of the project, but not to exceed the date the DEPARTMENT administratively closes the project contract.

VI
PAYMENT

The BOARD member shall be paid by the CONTRACTOR pursuant to Section 105.18 of the Standard Specifications, for services rendered under this AGREEMENT as provided hereinafter. Such payments shall be full compensation for work performed or services rendered, and for all labor, materials, supplies, equipment, and incidental expenses necessary to the operation of the BOARD. The BOARD member shall comply with all applicable portions of 48 CFR 31 (Federal Acquisition Regulations: Contract Cost Principals and Procedures). The Chairman shall transmit an invoice to the CONTRACTOR, with a copy to the DEPARTMENT. The BOARD member shall be paid for a meeting that is canceled with less than five working days advance notice unless the BOARD initiates such cancellation.

A. Rate of payment for services and expenses:

The BOARD Member will be paid a maximum of $200 per hour up to a maximum of $1200 per day for each day the BOARD meets. The BOARD member shall be reimbursed for actual direct, non-salary expenses including automobile mileage, parking, travel expenses, taxi fares, food and lodging, printing, long distance telephone, postage, and courier delivery, all subject to the WVDOT/DOH General Expense Regulations and Limits (Exhibit C). Subsequent changes in the billing rate must be authorized by Supplemental AGREEMENT to this AGREEMENT. The DEPARTMENT may authorize in advance additional day(s) for payment to the BOARD member when it is determined by the DEPARTMENT that such compensation is necessary for the BOARD to perform their obligation effectively.

B. Inspection of Cost Records:

The BOARD member shall keep available the cost records and accounts pertaining to this AGREEMENT, for inspection by representatives of the DEPARTMENT and the Federal Highway Administration, for a period of three years after final payment, at which time all such cost records and accounts shall be delivered to the DEPARTMENT for further retention as may otherwise be required. If any litigation, claim, or audit arising out of, in connection with, or related to the project contract is
initiated before the expiration of the three year period, the cost records and accounts shall be retained until such litigati
on, claims, or audit involving the records in completed.

VII
ASSIGNMENT OF TASKS OF WORK

The BOARD member shall not assign any of the work of the AGREEMENT without the express written consent of the DEPARTMENT and the CONTRACTOR.

VIII
TERMINATION OF AGREEMENT

The AGREEMENT may be terminated by mutual AGREEMENT of the DEPARTMENT and the CONTRACTOR at any time, upon not less than ten days’ written notice to all other parties. The BOARD member may withdraw from the BOARD by providing four weeks’ written notice to all other parties. This AGREEMENT will remain in force until another Dispute Review Board AGREEMENT has been fully executed. The BOARD member may be terminated for cause or without cause only by both the OWNER and the CONTRACTOR must agree to terminate the third member. Except as provided in Section XII, NO CONFLICT, below, or by the mutual consent of all other parties, if a member develops or recognizes a conflict of interest after appointment, the member must immediately notify all other parties and must withdraw from participation in further proceedings of the BOARD. In the instance of a conflict of interest apparent to the one or more of the other parties, a member may be terminated for cause by a vote of either the DEPARTMENT or the CONTRACTOR. In the event that the CONTRACTORS and the DEPARTMENT cannot agree on a new BOARD within 60 days of the BOARD’s termination, the new BOARD will be selected by the Director, Contact Administration and the President of Contractors Association of West Virginia.

IX
LEGAL RELATIONS

The parties hereto mutually understand and agree that the BOARD member in the performance of duties on the BOARD is acting in the capacity of an independent agent and not as an employee of either the DEPARTMENT or the CONTRACTOR.

The DEPARTMENT and the CONTRACTOR agree that no BOARD member shall be personally liable for any act or omission in the scope of their service as a BOARD member pursuant to this AGREEMENT unless such BOARD member acted in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of their responsibilities hereunder.

This AGREEMENT creates no third party rights of behalf of any person or entity.

X
VENUE, APPLICABLE LAW

In the event that any party deems it necessary to institute legal action or other proceedings to enforce any right or obligation under this AGREEMENT, the parties hereto agree that any such action shall be brought the West Virginia Court of Claims. The parties hereto agree that all questions shall be resolved by application of West Virginia law.

XI
PUBLIC RECORDS

The parties understand and agree that all records in the custody and control of the DEPARTMENT are subject to the provisions of the West Virginia Freedom of Information Act. The BOARD agrees that it will not disclose any documents, records or other materials received from the DEPARTMENT or the CONTRACTOR without the express written consent of the party from whom the documents, records or other material were received, except as may otherwise be provided in this AGREEMENT.

The BOARD member shall maintain all documents, papers, letters, and other materials made or received by the members pursuant to their performance pursuant to this AGREEMENT for a period of three years following the DEPARTMENT’s final acceptance of the construction contract work; or in the event that any litigation, claim, or audit arising out of, in connection with, or related to the project contract is initiated before the expiration of the three year period, all documents, papers, letters, and other materials made or received by the member pursuant to his/hers performance pursuant to this
**AGREEMENT** shall be retained until such litigation, claim, or audit involving the records is completed; at which time all such documents, paper, letters, and other material shall be delivered to the **DEPARTMENT** for further retention as may otherwise be required.

**XII**

**NO BONUS**

The **DEPARTMENT** and the **CONTRACTOR** agree that neither shall offer to pay or pay any commission, percentage, bonus, or consideration of any nature other than the payment provided for in Section VI above to any member for the member’s performance and services under the **AGREEMENT**. The member agrees that he/she shall not solicit or accept any such commission, percentage, bonus, or consideration of any nature, other than the payment provided for in Section VI.

**XII**

**NO CONFLICT**

The member of the **BOARD** agrees that he/she do not now and during the term of this **AGREEMENT** will not have any direct or indirect ownership or financial interest in any company or firm that submitted a bid or a proposal respectively, or in the **CONTRACTOR**, the CEI consulting firm selected for this project, any subcontractor or supplier of the project. The member of the **BOARD** affirm and agree that except for services as a **BOARD** member on other **DEPARTMENT** projects, that he/she have not for a period of three months prior to this project contract been a employee, subcontractor, or consultant to the **CONTRACTOR**, the CEI consulting firm selected for this project, any subcontractor or supplier of the project and that during the term of this project contract he/she shall not knowingly become so involved. Furthermore, the member of the **BOARD** affirm that he/she are not employed by the **CONTRACTOR** or CEI consulting firm that has on-going work or contracts pending in the District in which the project contract is located. Should, during the life of the project contract, the **CONTRACTOR** or CEI consulting firm employing the **BOARD** member secure additional work within the District in which the project contract is located, the **BOARD** member should notify the **CONTRACTOR** and the **DEPARTMENT** of such change and may continue to serve on the **BOARD** unless either the **DEPARTMENT** or the **CONTRACTOR** have good cause to reject the member. The members of the **BOARD**, the **DEPARTMENT**, and the **CONTRACTOR** agree that during the life of the project contract no unilateral discussion will be had or agreement will be made between any **BOARD** member and any party to this **AGREEMENT** for employment after the project contract is completed.

**XIV**

**FEDERAL REVIEW**

The Federal Highway Administration shall have the right to review the work in progress.

**XV**

**CERTIFICATION OF THE BOARD MEMBER AND THE DEPARTMENT**

Attached hereto as Exhibits are the “**CERTIFICATION OF THE BOARD MEMBER**” and “**CERTIFICATION OF THE STATE DEPARTMENT OF TRANSPORTATION**”

IN WITNESS WHEREOF, the parties hereto have executed this **AGREEMENT** as of the day and year first above written.

**BOARD MEMBER**

BY: ___________________

TITLE: __________________

**CONTRACTOR**

BY: ___________________

TITLE: __________________
STATE DEPARTMENT OF TRANSPORTATION

BY:___________________
TITLE:_________________

Approved as to Form Only this

_______ day of _________ 20____

______________________________
   Attorney, Legal Division
EXHIBIT A
CERTIFICATION OF BOARD MEMBERS

The undersigned each hereby certifies that he/she represents the firm located at the indicated address and that neither the undersigned nor the firm represented has:

a) Employed or retained for a commission, percentage, brokerage, contingent fee, or other consideration, any firm or person (other than a bona fide employee working solely for him/her or the firm indicated below) to solicit or secure this AGREEMENT; or
b) Agreed, as an express or implied condition for obtaining this AGREEMENT, to employ or retain the services of any firm or person in connection with carrying out this AGREEMENT; or

c) Paid, or agreed to pay, to any firm, organization or person (other than a bona fide employee working solely for him/her or the firm indicated below) any fee, contribution, donation, or consideration of any kind for, or in connection with, procuring or carrying out this AGREEMENT; except as here expressly stated (if any):

I acknowledge that this certification is to be furnished to the State Department of Transportation and the Federal Highways Administration, U.S. Department of Transportation, in connection with is AGREEMENT involving participation of federal-aid highway funds, and is subject to applicable state and federal laws, both criminal and civil.

________________________________________  ____________________________  __________________________
Name                                         Signature                           Date

________________________________________  ______________________________
Title                                         Firm Address

Firm Represented
EXHIBIT B
CERTIFICATION OF STATE DEPARTMENT OF TRANSPORTATION

I hereby certify that I am the Regional Construction Engineer of the State of _______________
Department of Transportation, of the Region in which the subject project is to be constructed, and that the above signatories have not been required, directly or indirectly as an express or implied condition in connection with obtaining or carrying out this AGREEMENT to:

a) Employ or retain, or agree to employ or retain, any firm or person; for
b) Pay, or agree to pay, to any firm, person, or organization, any fee, contribution, donation, or consideration of any kind; except as here expressly stated (if any):

I acknowledge that this certification is to be furnished to the Federal Highways Administration, U.S. Department of Transportation, in connection with is AGREEMENT involving participation of federal-aid highway funds, and is subject to applicable state and federal laws, both criminal and civil.

_______________________
Date

_______________________
Signature
EXHIBIT C

GENERAL EXPENSE REGULATIONS

AND LIMITS

FOR CONSULTING FIRMS RETAINED BY DOH

February 9, 2010

Rates indicated below are generally current as of the date of this meeting but are subject to change at any time. Final payment will be based on rates in effect at the time expenses are incurred. For lump sum type contracts, adjustments need not be made nor are receipts required.

1. Maximum allowance for meals:

   $51 per day for Jefferson and Kanawha Counties

   $46 per day for all other counties

   (Meal allowance will only be permitted if accompanied by an overnight stay. For the first day going out and the last day return trip, only 75% of the maximum allowance will be permitted.)

2. Maximum allowance for mileage for personnel transportation type vehicles (automobiles):

   $0.405 per mile for two-wheel drive; $0.445 per mile for four-wheel-drive vehicles.

3. Airline and other common carrier travel costs will be allowed at cost, if customary and reasonable, but must be substantiated by receipts.

4. Other transportation costs such as toll bridge fees, turnpike toll fees, parking, etc. will be allowed at cost, if customary and reasonable.

5. Lodging costs will be allowed based upon receipts. It will be expected that lodging will be at the least expensive lodging facility commensurate with location and satisfactory service and is not to exceed the Federal CONUS rate* of $70 per night except in the counties of:

   Jefferson $81

   Kanawha $101

   Monongalia $85

   Ohio $99

*Rate excludes any applicable taxes which may be added to the proposal cost.