

2009 William A. Klinger Memorial Award

Request for Research Proposals *Strategies for Coping with Volatile Materials Costs*

Presented by:

The AGC Education & Research Foundation



Prepared for General Distribution by
AGC Education & Research Foundation
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INTRODUCTION

The AGC Education & Foundation was founded in 1968 as a non-profit charitable organization dedicated to improving the science of construction. In addition to providing scholarships to students and recognition of students and faculty for their outstanding accomplishments, the Foundation's mission is to support research and other programs deemed to be beneficial to the advancement of the construction industry. To this end the William A. Klinger Memorial Award was established in 1972 to honor the Foundation's first president. The purpose of this award is to fund applied research that provides technological and managerial advancements whose applications are specific to the construction industry.

TOPIC EXPLANATION

Research proposals for consideration of the 2009 William A. Klinger Memorial Award should explore potential remedies for the existing and projected escalating materials costs for general contractors. Special consideration will be paid to proposals that place an emphasis on developing strategies and actions that can be implemented to overcome these costs in both the short and long term future. Research topics are developed by the Foundation Board of Directors in cooperation with the AGC's Construction Education Committee.

Strategies for Coping with Volatile Materials Costs

Extreme and often unanticipated price increases have occurred in recent years for steel, copper, asphalt and other construction materials, causing hardship for contractors, fabricators and owners. Although these increases sometimes abruptly reverse direction, the underlying trend remains sharply upward. These trends are likely to persist, given continuing strong demand from developing nations such as China and India for oil and construction materials.

The objective of this research is to examine ways that contractors, suppliers and owners can adapt to these price shocks. Depending on the project type and relationship among parties, some methods used in recent years include price adjustment clauses (e.g., for diesel fuel, asphalt and steel), pre-buying of certain materials, and ad-hoc adjustments. Are there techniques that have been particularly effective or ineffective? Are there best practices that other parties should try? Are there institutional, legal or regulatory barriers to effective methods? Are there new methods that should be tried?

ELIGIBILITY

The 2009 William A. Klinger Memorial Award is open to all accredited degree programs, or programs that are candidates for accreditation, in construction, construction technology, or construction engineering. The Accreditation Board for Engineering and Technology (ABET) and the American Council for Construction Education (ACCE) are both acceptable accreditation entities. Applicants must provide evidence of their accreditation or candidacy for accreditation by ABET or ACCE. Only one proposal per accredited program per institution will be accepted.

PROPOSAL FORMAT

All proposals should be submitted by **December 8, 2008, 5:00 PM EST** and adhere to the following format guidelines:

- The proposal should be submitted in Microsoft Word, 12 pts, with 1 ½ space between lines.
- The proposal should include the following elements:
 1. **Core of the proposal.** Not to exceed five (5) single sided pages.
 - Identify Applicant(s): Include name, mailing address, e-mail address, phone, and fax of primary applicant and any subcontractor(s).
 - Title of Project
 - Provide a description of problem or issue to be addressed.

- Goals and Objectives: Describe major product(s) or purpose of the project and how the product(s) will be used by general contractors and the construction industry.
- Benefit to the Industry: Define direct benefits to the construction industry.
- Describe the research method(s) that will be applied to the project.

2. Work Plan/Schedule. One (1) page. Proposal should include a detailed description of what deliverables will be produced and when they will be completed. The work plan/schedule should provide quarterly progress reporting commencing with project award.

3. Itemized budget. One (1) page. Provide an itemized budget including milestone dates. It is not necessary to include budget notes unless further information on a specific item is requested by the AGC Foundation. A proposal that establishes activities or functions that are continuous after the completion of the initial project must indicate the source of future funding as a budget footnote.

4. Biography of Principal Investigator. Not to exceed three (3) single sided pages.

5. Biography(ies) for Other Researchers who will be closely involved in the project. Not to exceed one (1) page per person.

6. Letter(s) from the appropriate dean, department head, or program director certifying exact and proper accreditation and confirming the institution's support for the project.

RESEARCH TIMELINE

The official announcement of the award will take place during AGC's Annual Convention, March 4-7, 2009 in San Diego, CA. Following the announcement, the project will commence on April 1, 2009 and should be completed no later than April 30, 2010. If an extension is desired, the applicant should outline this in the proposal. All project details including the schedule are subject to approval by the AGC Foundation.

BUDGET

The award amount is \$25,000 unless otherwise requested in the proposal and approved by the AGC Education & Research Foundation. University/Departmental overhead or similar fees (except project-related salaries and benefits) are not compensated under this award and may not be included in the proposal.

The schedule for payment will be 25% after completion of the first phase of the project; 25% upon completion of the second phase of the project; and 25% upon completion of the second phase of the project; and 25% upon acceptance of the final report by the AGC Foundation Board. The project payment schedule may be modified by mutual agreement upon demonstration of need.

If applicant is bringing matching funds, the applicant should indicate the amount and include them in the itemized budget. If the proposal establishes activities or functions that are continuous after completion of the initial project, the budget must indicate the source of future funding.

REVIEW AND MONITORING

All proposals will be reviewed by a task force composed of one or more members of the AGC Foundation Board, members of the AGC Construction Education Committee, a Foundation executive or committee

staff member, and/or other pertinent members within AGC's membership. The task force will be available for advice and guidance during the duration of the project.

A project status report shall be sent to the task force every three months for the duration of the project. Scheduled AGC payments are contingent upon receipt of the status report. In the event that progress toward the completion of the project is deemed unsatisfactory, or is not in compliance with the terms and conditions of the award, the AGC Foundation may, at its sole discretion, terminate the award and seek redress as appropriate.

GENERAL TERMS AND CONDITIONS

Appendix A outlines the general terms and conditions of any such award to any college, university or other institution of higher learning. Institutions or departments that can not comply with these general terms and conditions should not submit proposals.

Applicants must be able to transfer all ownership rights to The AGC Foundation at the completion of the research. The AGC Foundation will own and have the right, without additional cost, to use and publish the results of the research as it sees fit.

SUBMITTAL INFORMATION

Respondents should submit all completed proposals to:

Carrie M. Harper

Director of Education and Student Development

Associated General Contractors of America

2300 Wilson Boulevard, Suite 400

Arlington, VA 22201

harperc@agc.org

Phone: 703-837-5316

The deadline for submission is **December 8, 2008, 5:00 PM EST.**

Appendix A

GENERAL TERMS AND CONDITIONS

OF AN AGC EDUCATION AND RESEARCH FOUNDATION AWARD TO AN INSTITUTION OF HIGHER LEARNING

In furtherance of its charitable, educational and scientific purposes, the AGC Education and Research Foundation (hereinafter (“Foundation”)) has created the William A. Klinger Memorial Award (hereinafter “Award”). The Foundation periodically makes this Award to a qualified person or entity for the purpose of supporting education and/or research relating to the construction industry. Following are the general terms and conditions of any such Award to any college, university or other institution of higher learning (hereinafter “Grantee”).

THESE TERMS AND CONDITIONS ARE IN ADDITION TO ANY OTHER TERMS AND CONDITIONS THAT THE FOUNDATION MAY ESTABLISH FOR ANY PARTICULAR AWARD.

1. Title to Works. The Foundation and the Grantee intend all written, recorded or otherwise fixed results of all research and other work performed pursuant to the Award (hereinafter the “Works”) to be works made for hire, as that term is defined in Section 101 of Title 17 of the United States Code (the “Copyright Act”). The Grantee expressly acknowledges and agrees that the whole of each Work and each of its parts and all rights therein, including but not limited to the worldwide copyright to each Work and part thereof, and all technology developed in the course of creating the Works, and all inventions and discoveries made in the course of creating same, and all worldwide rights to all such technology, inventions and discoveries, shall be the sole and exclusive property of the Foundation. If all or part of any Work is not, for any reason, deemed to be a work made for hire, the Grantee shall and hereby does sell, assign, and transfer the entire right, title and interest in and to such Work or part thereof to the Foundation and its successors and assigns. The Grantee further agrees to execute all documents necessary to secure all rights to all such Works, and to all such technology, inventions and discoveries, for the Foundation.

2. Non-Exclusive License to Make Use of Works. The Foundation hereby grants to the Grantee a perpetual, worldwide, fully paid-up and royalty-free but non-exclusive license to make use of the Works, and any technology developed in the course of creating same, and any inventions or discoveries made in the same course of events, for academic, scholarly or other non-commercial purposes. Such license shall include the right to modify, upgrade and/or create derivative works from the Works but shall exclude the right to sublicense any third party to make any use of either the Works or any such technology, inventions or discoveries, for any purpose whatsoever, without the Foundation’s prior written approval, which the Foundation shall have the sole discretion to grant or deny.

In granting such license to the Grantee, the Foundation expressly retains the exclusive right to exploit the Works, or any part of any Work, or any such technology, invention or discovery, for commercial purposes.

For the purposes of this provision, teaching, research and training, and other efforts to enhance scientific and technical discovery, knowledge and understanding, within the context and consistent with the mission of a school of higher learning, shall be deemed to have academic, scholarly or other non-commercial purposes, and any activity intended to create any source of either revenue or income, apart from the tuition or enrollment fees that institutions of higher learning typically charge all students, shall be among the activities deemed to have commercial purposes.

3. Quality and Accuracy of Works. The Grantee warrants that all research and other work performed pursuant to the Award shall meet or exceed the generally accepted standards or practices for such work. Consistent with same, the Grantee further warrants that all statements asserted as facts shall be either true or based on reasonable research for accuracy.

4. Non-Infringement on Third Parties' Rights. The Grantee warrants that neither any part of any Work nor any use of any of any technology or other invention or discovery to create any Work, infringed or currently infringes on any copyright, patent or other personal or property right of any third party. The Grantee further warrants that it is the sole author of all parts of all Works, or in the alternative, that it has lawfully acquired, at its own expense, and prior to its delivery of the completed Works, all rights worldwide in and to all material of which the Grantee is not the sole author, including but not limited to the entire right, title and interest in and to the worldwide copyright to any material of which Grantee is not the sole author, and excluding only short excerpts of such material if and to the extent that such excerpts constitute fair use under the law.

The Author shall defend, indemnify, and hold the Foundation and its affiliates, officers, employees, agents, licensees and assigns harmless against all claims, suits, costs, damages, and expenses that the Foundation or its affiliates, officers, employees, agents, licensees or assigns may sustain by reason of any allegation or claim that any Work, or any part thereof, or any technology, invention or discovery used in the course of creating same, infringed or currently infringes on any copyright or any other personal or property right of any third party.

5. Dispute Resolution. The Foundation and the Grantee agree to settle within a reasonable time any dispute arising out of or relating to the Award through direct discussions. If any matter remains unresolved after direct discussions, the parties shall then endeavor to settle such matters through mediation in accordance with the Commercial Mediation Rules of the American Arbitration Association, before having recourse to arbitration or litigation. Any request for mediation shall be filed in writing with the other party and the American Arbitration Association.

6. Miscellaneous.

a. Entire Agreement. In conjunction with the Foundation's request for proposals, the Grantee's written response to same, and any written modifications which the parties have mutually agreed to make to either of those two documents, these general terms and conditions express the entire understanding between the parties relating to the Award, there being merged in these documents (hereinafter, collectively, the "Controlling Documents") all prior and collateral representations, promises, and conditions in connection with the Award. Any representations, warranties, promises, or conditions not expressly incorporated into one or more of the Controlling Documents shall not be binding on either party. No modification of any one or more of the Controlling Documents shall be effective unless in writing and signed by authorized representatives of both parties. In the event of a conflict between these general terms and conditions and any of the other Controlling Documents, these general terms and condition shall govern.

b. Power and Authority. The Grantee warrants that it has the power and authority to accept these general terms and conditions and to perform all research and other work that its proposal contemplates.

c. Time of the Essence. The parties agree that time is of the essence of this agreement. The Grantee will provide the education or perform the services that it has proposed in accordance with the schedule either included in its proposal or set forth in another of the Controlling Documents.

d. Future Assurances. These general terms and conditions shall survive the full performance of all research and other work relating to the Award, and at any time, each party shall, upon the

request of the other, execute and deliver such additional documents as may be necessary or convenient for the purpose of evidencing or perfecting any rights or interests that this these general terms and conditions grant to the other party.

e. Waiver. No action or failure to act by either party shall constitute a waiver of any right or duty that any one or more of the Controlling Documents grant to such party.

f. Relationship of the Parties. Nothing in any of the Controlling Documents shall be deemed to create the relationship of partners, joint venturers, employer-employee, master-servant, or franchisor-franchisee between the parties hereto. Except to the extent that the Controlling Documents provides otherwise, the Foundation shall have not have the right to direct the manner in which the Grantee undertakes research or performs any other work pursuant to the Award. Except to the extent that the Controlling Documents expressly provide otherwise, the Grantee shall bear all costs and expenses of performing all research and other work relating to the Award. Without the written consent of the other party, neither party may obligate the other to any expense or liability.

g. Construction of Controlling Documents. The Controlling Documents shall be construed and interpreted according to their fair meaning and without regard to any presumption or other rule requiring construction against the party that either drafted or caused the drafting of same. It is also understood and agreed that no usage of trade or other regular practice or method of dealing between the parties hereto shall be used to modify, interpret, supplement or alter in any manner the terms of the Controlling Documents.

g. Severability. Should any provision or part of any provision of any Controlling Document be found void or unenforceable by any court of competent jurisdiction, then such provision or part thereof shall be adjusted rather than voided, if possible, in order to give effect to the intent of the parties to the extent possible, and the Controlling Document(s) shall, as so modified, remain valid and binding upon the parties and in full force and effect.