



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

BEVERLY EAVES PERDUE
GOVERNOR

EUGENE A. CONTI, JR.
SECRETARY

May 5, 2009

MEMORANDUM TO: AGC-DOT Joint Cooperative Committee Members
FROM: Victor Barbour, PE
SUBJECT: March 19, 2009 Minutes for the Joint Cooperative Committee Meeting

The Joint Cooperative Committee of the AGC-DOT met at 2:00 p.m. on March 19, 2009 in the Chief Engineer's Conference Room at the NCDOT Equipment and Maintenance Facility, Beryl Road, Raleigh with the following in attendance.

Debbie Barbour	Randy Garris	Bill Medcalf	Trent Sherrill
Victor Barbour	Tim Goodson	Graham T. Moore	Ted Sherrod
Larry Brickey	Ron Hancock	Jon Nance	Jule Smith
Kevin Burns	Berry Jenkins	Donnie Oldham	Norma Smith
Alan Cahill	Don Lee	Jason Peterson	Lamar Sylvester
Bill Copeland	Robert Lofling	Ellis Powell	Bill Tomlinson
Jack Cowsert	Mike Long	Mike Robinson	Sim A. Wooten, Jr.
Steve DeWitt	Michelle Long	Ron Shaw	Jim Wyngaarder
C.A Gardner	Art McMillan	Shannon Sweitzer	

AGENDA AND DISCUSSION ITEMS

Economic Stimulus Update

Victor Barbour

Mr. Barbour reported that the Department has \$22 million in enhancement money.

1. Letting Projections – The Department has published a letting of stimulus projects for March – June and is now working on the July – September 2010. That is the reporting period requirements for the Federal Highway Administration. Our let list should be completed by April 1 and will go through September 2010.

Directly attributable money is money in the Stimulus program that goes directly goes to the MPOs; they must identify their projects and have all information ready by October 1, 2009 for bid. If it is not ready by that date, the Department will have projects ready to go to bid in their stead.

The Raleigh – Let projects were opened on March 17, the bid review will be this Monday, March 23, and the Secretary will award the projects Monday afternoon or Tuesday for those that

MAILING ADDRESS:
NC DEPARTMENT OF TRANSPORTATION
TECHNICAL SERVICES DIVISION
1516 MAIL SERVICE CENTER
RALEIGH NC 27699-1516

TELEPHONE: 919-715-5663
FAX: 919-715-5361

WEBSITE: WWW.NCDOT.ORG

LOCATION:
TRANSPORTATION BUILDING
FIRST FLOOR ROOM 102
1 SOUTH WILMINGTON STREET
RALEIGH NC

meet the criteria and are acceptable. The awards will be made earlier than the time of the BOT meeting. After the bonds are received, the contractors can begin work earlier than the Date of Availability.

2. Employment Documentation: Mr. Barbour said that the contractors and subcontractors will be filling out a form or submitting information for the Federal Highway Administration on the stimulus projects as stated in the proposals in March. The details have not been worked out yet.

Each state's governor must sign and certify a Maintenance of Effort agreement that shows what the state is planning to spend on stimulus projects through September 2010. There are states whose general funds and transportation funds are not separate as they are in NC, therefore the federal government wants to be sure that the stimulus funds are being spent for transportation projects and not being used in other areas.

3. Employment Security Commission Posting: Mr. Barbour said at the request of the Governor's office, the proposals starting in April will have a provision advising the contractor to use, along with any other sources, the local Employment Security Commission when hiring new employees for the stimulus projects.
4. DBE Emphasis: The provisions and law state that the states need to put more emphasis on meeting DBE goals. We have not received further instructions or forms from the Federal Highway Administration. Mr. Barbour said if we meet our goals, we do not have a problem and asked the contractors to let the Department know if any assistance from the Department is needed.

NC Turnpike Authority Update

Steve DeWitt

Mr. DeWitt announced that Turnpike Authority is pursuing a means to get the Triangle Expressway financed, which will cost approximately one billion dollars. The financing would be by the combination of three sources:

1. Transportation Infrastructure Finance and Innovation Act (TIFIA), which is a loan program from the USDOT, would be roughly 1/3 of the cost of the corridor. Their loan is based on an investment grade bond rating.
2. GAP Funding Financing (Low Risk), which is a dedicated revenue stream, allocated by the General Assembly and
3. Toll Revenue Bonds (Moderate Risk), for which predications are made over a 40-year bond term, based on traffic and revenue studies.

He explained how the bond rating would be enhanced by combining these sources, having reserves of 2.5 times, and by having the bonds 100 % insured by a Triple A bonding company. This would give the bonds a rating of AA or better. Mr. DeWitt stated that they are 45-60 days from selling bonds, which will be a 1 billion dollar bond offering.

He briefly discussed the Monroe Connector and the Gaston Parkway, and reported the P3 agreement is being developed for the Mid Currituck Bridge.

Mr. Jenkins complimented Mr. DeWitt and his staff on achieving this huge milestone.

Website Update

Victor Barbour

At the last meeting, there were comments about the website and how it can be made more user-friendly for the contracting community. Mr. Jenkins emailed his members requesting input. Mr. Barbour distributed a copy of the requests received.

EPA Stormwater Rulemaking Update

Jon Nance/Ted Sherrod

Mr. Nance updated the committee saying that the Department sent a five page letter with a 15 page attachment to the EPA, stating that the ruling would have a substantial negative impact to our ability to deliver programs and projects. In the Department's opinion, a value of 13 NTUs is impossible to achieve. The letter also highlighted our programs, successes and the Department's operations. Many of the southeast states sent letters opposing the legislation. Mr. Sherrod said there is strong opposition from AASHTO Washington Office and the nation-wide home-building industry, who are urging the EPA to review their requirements closely. Mr. Sherrod further stated that the EPA was open to other considerations for linear construction. The EPA's timetable is to have implementation by December 2009.

Mr. Jenkins thanked the Department for their strong stand on this issue.

Insurance Certificates

Ricky Vick

Mr. Vick asked the committee to clarify the process of submitting insurance policies. Some residencies require a policy to be submitted on each project and other residencies assume NCDOT has an annual policy on file. Mr. Ellis stated that it should reference the specific project. The Department will review for clarity.

DOT Notification of Failing Materials

Bob Lofling

Mr. Lofling asked for clarification of the protocol for outstanding failed materials and the proposed penalties when nearing the closing-out of a project. In some cases it is literally years after the fact. If there is no notification when the occurrence happens, the prime has no way to correct it. If it is a supplier or subcontractor, the prime has no recourse as they have already been paid. Is there a mechanism in which to notify the prime within a reasonable length of time so the problem can be addressed? Examples are asphalt, shoulder pours of concrete, failing gradation on stone and asphalt density. As of the first of the year, Mr. Hancock said HiCAMS has been updated to show outstanding failing results. There was discussion, and a request for the Department to notify the prime contractor within a reasonable length of time so he can determine what the penalties might be, hold some funds from the subcontractor, or require a bond from the subcontractor at that time. The Resident Engineer and the Roadway Engineers are auditing this monthly for outstanding issues and investigating as needed. There was a suggestion to add to the agenda for monthly meeting between the contractor and the Department. The Department will review the protocol before sending new instructions to the DOT personnel.

Union Activity Update

Berry Jenkins

Mr. Jenkins said that the unions have been more active in NC, as noted in the newspapers. NC has been one of the strongest open shop states in the country. There is more interest in expanding activities into areas that historically have not been affected, with more focus on the building industry. Some of the trades unions have opened an office in Concord, and hosted late afternoon receptions in Statesville and Wilmington with drawings for cash and prizes. The invitations are left on employees' vehicles with no mention of union activities. Mr. Jenkins asked DOT personnel to notify him if they become aware of such actions, for tracking purposes.

ICTs for Vegetation Establishment

Ted Sherrod

Mr. Sherrod updated the committee on vegetation establishment on B (bridge replacement) jobs. In a couple of Divisions, there were 40 mobilizations on 16 projects that were finalized in 2008. Some examples were re-establishment of typical sections, basin removal, basin fill-up, silt fence removal, and erosion control repairs. The issue appears to occur east of Greensboro, possibly because of the soil type. Through the AGC/DOT Bridge Subcommittee and the AGC/DOT Roadway Subcommittee, Mr. Sherrod has been reviewing options for establishing stabilization before a project is final. Normally the stabilization is completed the day before final acceptance. An initial suggestion was an ICT which would give the prime an additional 90 days after completion, to address these issues and be compensated through the pay items. However, there are concerns about bonding, time extensions and payment issues when using ICTs. The goal is to have the temporary containment structures and temporary rock measures removed by final inspection.

2009 Legislative Update

Johanna Reese

No Report

NCDOT Revenue and Budget Update

Victor Barbour

In the absence of Mr. Foster, Mr. Barbour reported the budget has stabilized. The new budget will be results-based with 'measures of performance'. There will be tracking and reporting on compliance. The Department's budget is reduced by 9-10%, Maintenance funds by 11% and Construction funds by 11%. There will be fewer dollars in the construction budgets, adjusted to revenues.

There was general discussion on the stimulus monies and scenarios under which NCDOT may receive more of the reallocated funds after the initial 120 days.

Next Meeting Date

The next meeting is scheduled for May 21, 2009 at 10:00 a.m. in the Chief Engineer's Conference Room at the NCDOT Equipment and Maintenance Facility located at Beryl Road in Raleigh.