



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

BEVERLY EAVES PERDUE
GOVERNOR

EUGENE A. CONTI, JR.
SECRETARY

December 16, 2011

MEMORANDUM TO: AGC-DOT Joint Cooperative Committee Members

FROM: Victor Barbour, PE

SUBJECT: November 17, 2011 Minutes for the Joint Cooperative Committee Meeting

The Joint Cooperative Committee of the AGC-DOT met at 10:00 a.m. on November 17, 2011 at the Chief Engineer's Conference Room at the NCDOT Equipment and Maintenance Facility on Beryl Road in Raleigh with the following in attendance:

Victor Barbour	Ron Hancock	Jon Nance	Lamar Sylvester
Kevin Burns	Berry Jenkins	Donnie Oldham	Bill Tomlinson
Alan Cahill	Drew Johnson	Edward T. Parker	Jim Trogon
Bill Copeland	Bob Lofling	Natalie Roskam	Burt Tasaico
Terry Gibson	Mike Long	Ron Shaw	Ricky Vick
Ricky Greene	Beau Memory	Trent Sherrill	Paul Worley

AGENDA AND DISCUSSION ITEMS

Financial Update

Burt Tasaico/Beau Memory

Mr. Tasaico reported that the Department's revenue is below forecast in the first fiscal quarter due to the motor fuels tax being down by 7% for diesel vehicles. The gas motor fuels tax, DMV fees, and highway use tax are on target with the forecast. An industry report indicated that new vehicle sales were at a record high this October. The results for November are not yet available.

There is no Federal appropriations bill for fiscal year 2012. The extended authorization for reimbursements to the Department ends November 18. The extended authorization for the Federal Highway offices ends March 31. A reauthorization or continued resolution is needed, or the Department will use cash reserves to meet commitments.

The motor fuels tax resets on January 1 and July 1. Mr. Memory reported that the January reset may be 38.9 cents which is lower than the forecast of 40 cents in the budget. North Carolina Legislature is going into special session on November 28. The N.C. House may pass a gas tax cap bill. The financial impact would be over \$300 million over the biennium. The new bridge initiative would be impacted. Mr. Trogon pointed out that 30% of the motor fuels tax is from out-of-state drivers, and the tax is the only source of Department revenue from out-of-state users. Mr. Jenkins noted it would impact jobs, projects, and equipment purchases throughout the State.

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Letting Projections

Victor Barbour

Mr. Barbour provided a handout (Attachment #1) showing the major projects and large bridge projects on the 12-month let list. There are 88 bridge projects scheduled to be let in the next year and \$1.6 billion in TIP projects on the 12-month let list. Most of the projects are Federally funded and may be delayed due to labor rate issues. The Department is working to produce a 36-month let list.

Legislative and Congressional Update

Beau Memory/Burt Tasaico

Mr. Tasaico provided a handout (Attachment #2) and reviewed MAP-21. MAP-21 is the reauthorization proposal from the U.S. Senate. This bill consolidates funding categories and increases the rate-of-return guarantee from an average of 91.3% to a proposed 95%. The Speaker of the House is scheduled to announce a different reauthorization bill November 17.

Mr. Tasaico reported that the current transportation revenue model is not sustainable because fleet fuel efficiency is increasing. More cars use the roads and consume less gas. The Federal Highway Trust Fund can not support the outlays of the previous years. The U.S. General Fund bailing out the Highway Trust Fund is not an option. The more immediate issue is the lack of reauthorization for reimbursements which ends November 18.

NCDOT Reorganization

Jim Trogon

Mr. Trogon reported that all 400 reduction-in-force (RIF) employees have been identified and will be reduced by June 1. The Department eliminated two layers of management. The goal is to reduce layers and maintain the capabilities within the unit. The result is better staff to management ratios and a reduction in organizational silos.

The Resident and Division Engineering positions will be combined in January. The staff will be reorganized on a Division level to meet the needs of each Division. An interim organizational chart is currently available.

Mr. Trogon reported that SAS is building an analytical model of NCDOT output, manpower, equipment, etc. This model will help plan for increased or reduced workloads.

Public comment is scheduled for tolling ferry routes and a permanent solution to US 12. Tolling will be a very important component in ferries, Charlotte I-77, US-74 and I-485 which has an Express Lane option under consideration.

Consultants will begin forming the 2040 Plan in January. More real-time data collection and therefore more electronic devices will be in the field soon. Approximately 700 inspectors will begin electronic ticketing using GPS and tablet systems.

Davis-Bacon Wage Rates

Victor Barbour/Ron Hancock

The Department has provided the Department of Labor a list of objections regarding the update process for the Federal wage rates. The study used about four months of data from mostly central let Federal-aid projects from 2008. The new rates expanded the number of rates used across the state from 2 to 13 and reduced the classifications from an average of 41 to 29. The Department plans to analyze, or consult with a third party to analyze, a more current data set. Surveys will go out to contractors and subcontractors soon. The payroll data can be from State-funded projects, Federal-aid projects, purchase order projects or private projects. In order to identify a Federal wage rate category, at least six data

points from at least two different contractors are needed. Mr. Hancock suggested forming a subcommittee to assist with this effort.

Mr. Jenkins asked about the December letting. Mr. Trogon commented that projects will continue to be delayed until there is sufficient reason to change. The Department of Labor has not responded to Secretary Conti's requests.

Lower Tier Bridge Program

Victor Barbour

Mr. Barbour provided a handout regarding the lower tier bridge program (Attachment #3). The program details are available on the Department's website: <http://www.ncdot.gov/projects/ncbridges/>.

The Design Build proposals are due November 18, and short listing will be on December 5 for the bridge program. The contracts are in the process of being scoped and negotiated for bridges delivered next year. The Department has selected 26 different firms so no one firm got more than one package. Forty percent of the evaluation criteria was based on delivery of plans for quick letting.

The Department will meet the target of construction programs. The bridge program is over-programmed by 20% to allow for permit issues, notification issues, and reprioritization. The charts in the handout do not show let times, but cash times. The projects have to be let and constructed before the cash times in the handout.

Mr. Gibson noted that the three year bridge improvement plan continues to evolution. He asked everyone, as the project information is posted, review the resurfacing and bridge projects for accessibility conflicts and minimize the time of bridges shutdowns.

DOT Website Postings

Victor Barbour

Mr. Barbour noted that the Division of Highways accounts for about 78% of the content on the website and it has less than 5% of the hits. "Inside NCDOT" will allow contractors to access Sharepoint sites to collaborate with the Engineers and electronically submit designs. Contractor input is needed for the landing page, or what you see when you first log into the site. One question is who will administer the password access to the system. Each contractor may need to have an administrator for their account to allow estimators to access estimator information and accountants assess to accounting information. The first pilot Extranet site is scheduled for a December let project.

Mr. Jenkins noted that the most common question he gets is who in NCDOT handles what. The current website is driven by organizational structure. You currently have to know who you need to contact prior to finding the contact information. Mr. Gibson commented that the intent of the new system is to flip that model so users provide what they want to know and the appropriate content is supplied.

Turnpike Authority

Berry Jenkins

Mr. Jenkins reported favorable financing on the Monroe Bypass. The rate on the loan was 2.48%, and \$214 million in revenue bonds were sold at 3.8%. The contract is scheduled to be executed on November 21.

The Garden Parkway is anticipating a record of decision from Federal Highway Administration any day. A draft RFP for shortlisting teams is scheduled for late November.

Rail Program

Paul Worley

Mr. Worley provided the NCDOT Piedmont Improvement Program status report (Attachment #4). The Rail Division is expecting to meet the first let dates in 2012, the 25% plans are being approved by the stakeholders. Mr. Worley noted that NCDOT is the only state doing this level of design on rail projects; most states turn the design over to the railroads or other companies. Mr. Worley reported that the Department is still trying to get the PE agreement with Norfolk-Southern. A master agreement for project delivery is needed before the Department goes beyond 65% plans. The environmental finding found no significant impact and Federal Railroad Administration (FRA) is in the process of review. Secretary Conti is meeting with FRA to assist with the schedule for review turnaround time.

Mr. Worley reported that the Rail Division was studying a software solution to allow all parties to access electronic data and using share sites and tablet computers to gather information. Constructability meetings are on schedule. He noted that these projects are grant funded, and completion dates for the projects are critical.

He requested information for improved efficiencies on blanket insurance policies and solicited for other cost saving ideas. The rail projects anticipate having all the work let by 2016.

Division Let Schedule

Ron Hancock

Mr. Hancock reported on the progress for a Division let schedule. Divisions will have up to two lettings per month. Those dates will be staggered to avoid letting dates with adjacent Divisions. The letting days will be Tuesday, Wednesday and Thursday and will avoid the third Tuesday Central let date. Divisions are starting to use the Trnsport system.

Next Meeting Date

The next meeting is scheduled for January 19, 2012 at 10:00 a.m. at the Chief Engineer's Conference Room at the NCDOT Equipment and Maintenance Facility on Beryl Road in Raleigh.

MAJOR PROJECTS > \$30 MILLION (DECEMBER 2011- DECEMBER 2012)

12/20/2011	R-2554AB R-2554AC	34461.38 34461.3.6	NHF-0070(147)	WAYNE	4	US 70 GOLDSBORO BYPASS - EAST OF SR 1556 (WAYNE MEMORIAL DRI	\$ 110,000,000
12/20/2011	U-3326AB	34924.3.1	STP-298(2)	ROCKINGHAM	7	REIDSVILLE - US 29 BUSINESS (FREEWAY DRIVE) FROM SR 2670 (SO	\$ 51,600,000
12/20/2011	U-4909	40278.3.1	STP-2643(5)	FORSYTH	9	WINSTON-SALEM - SR 2643 (UNION CROSS ROAD) FROM SR 2691 (WAL	\$ 38,000,000
2/2/2012	R-2309AB R-2413C	34418.3.5 34429.3.7	STPNHS-0220(25)	GUILFORD	7	US 220 FROM SR 2182 (HORSEPEN CREEK RD) TO EXISTING NC 68-US 220 INTERSECTION	\$ 93,200,000
2/2/2012	R-4902	39929.3.1	IMNHF-485(8)	MECKLENBURG	10	I-485 FROM US 521(JOHNSTON ROAD) TO I-77 SOUTH OF CHARLOTTE	\$ 80,500,000
2/2/2012	R-2414B	34430.3.3	State Funded	CAMDEN	1	US 158 FROM SOUTH OF SR 1139 (COUNTRY CLUB ROAD) TO EAST	\$ 23,500,000
3/28/2012	I-3819A	34192.2.1.GV3	IMS-040-2(145)152	IREDELL	12	I-40/I-77 INTERCHANGE INCLUDING I-40 FROM WEST OF SR 2003 (R	\$ 90,100,000
6/19/2012	U-0209B	34749.3.GV3	NHSTP-0074(137)	MECKLENBURG	10	CHARLOTTE - US 74 (INDEPENDENCE BOULEVARD), NC 24-27 (ALBEMA	\$ 54,800,000
6/19/2012	R-2554A	34461.3.4	State Funded	WAYNE	4	US 70 (GOLDSBORO BYPASS) FROM WEST OF NC 581 TO SR 1300 (SAL	\$ 70,500,000
6/19/2012	U-4444AB U-4444B	36492.3.4 36492.3.2	STP-0210(23)	CUMBERLAND	6	FAYETTEVILLE - NC 210 (MURCHISON ROAD) FROM SR 1613 (HONEYCU	\$ 34,400,000
7/17/2012	R-3307	34528.3.1	STPNHF-0070(132)	CARTERET	2	US 70 FROM THE EXISTING FOUR LANES AT RADIO ISLAND TO US 70	\$ 74,000,000
8/21/2012	U-2412B U-2524AE	34802.3.4 34820.3.23	STPDA-4121(7)	GUILFORD	7	GREENSBORO/HIGH POINT - SR 1486-SR 1421 (GREENSBORO/HIGH POI	\$ 59,200,000
8/21/2012	U-2800	34858.3.3	STP-2601(1)	FORSYTH	9	KERNERSVILLE-SR 2601 (MACY GROVE ROAD) FROM INDUSTRIAL PARK DRIVE TO SR 1005	\$ 32,700,000
9/18/2012	U-3810	35801.3.1	STP-1406(7)	ONSLow	3	JACKSONVILLE - SR 1406 (PINEY GREEN ROAD) FROM US 17 TO NC 2	\$ 45,600,000
9/18/2012	U-2925	34892.2.3	STP-0918(16)	FORSYTH	9	WINSTON-SALEM- SALEM CREEK CONNECTOR	\$ 74,000,000
10/16/2012	R-2303A	34416.3.3	State Funded	Cumberland	6	NC24 FROM WEST OF SR 1009 (MAXWELL RD) TO SR 1853	\$ 34,400,000
11/20/2012	R-3421C	34542.3.5	HPPNHS-0220(65)	RICHMOND	8	US220 BYPASS FROM SOUTHWEST OF SR 1394 TO FUTURE US220 BUSINESS/US220 BYPAS	\$ 59,700,000
12/18/2012	R-2707AB	34497.3.4	NHF-0074(142)	CLEVELAND	12	US 74 (SHELBY BYPASS) FROM WEST OF SR 1161 TO WEST OF SR 1314 (HOYLE ROAD)	\$ 28,800,000

TOTAL COST ESTIMATE PROJECTS EXCEED \$30 MIL \$1,055,000,000

LARGE BRIDGE PROJECTS > \$10 MILLION

6/19/2012	B-4599	33791.3.1	BRSTP-17(41)	PASQUOTANK	1	BRIDGES 1 & 2 OVER KNOBBS CREEK ON US17/158	\$ 11,200,000
8/21/2012	B-4028	33395.2.2	BRSTP-0011(9)	BLADEN	6	Bridges 12, 18, & 42 OVER CAPE FEAR RIVER & OVERFLOW ON NC11	\$ 14,200,000
8/21/2012	B-4091 B-4949	33449.2.2 40107.3.1	BRSTP-301(12) BRNHS-095-2(103)40	CUMBERLAND	6	I-95 BUSINESS LOOP & US301 - BRIDGE 85 OVER CAPE FEAR RIVER SR 1738 & SR 1741 IN FAYETTEVILLE AND BRIDGE 61 OVER CROSS CREEK ON I-95 BUS/US301	\$ 21,000,000
8/21/2012	B-5178	42549.3.1	BRIMS-026-1(80)1	BUNCOMBE	13	BRIDGES 235 & 238 OVER SR 3421 (POND RD.) AND HOMINY CREEK ON I-26	\$ 15,000,000

TOTAL COST ESTIMATE LARGE BRIDGE PROJECTS > 10 MIL \$ 61,400,000

88 BRIDGE PROJECTS BETWEEN DEC 2011 AND DEC 2012

TIP TOTAL 12MLL DEC 2011 - DEC 2012 = \$1,667,750,000

Federal Legislative Update November 17, 2011

Surface Transportation Reauthorization

The surface transportation law, SAFETEA-LU, expired in September 2009. Since that time, the program has been operating under a series of short-term extensions.

In September, the House of Representatives and Senate approved the eighth extension of SAFETEA-LU. This extension lasts for six months (to run through March 31, 2012) and funds SAFETEA-LU at current levels.

Senate Legislation: MAP-21

On November 4, Senate Environment and Public Works Committee Chairman Barbara Boxer and her ranking minority member released the text of their 2-year, \$86.3 billion highway reauthorization bill, the Moving Ahead for Progress in the 21st Century Act (MAP-21).

MAP-21 was unanimously approved by the Senate Environment and Public Works Committee on November 9. MAP-21 reauthorizes the federal-aid highway program at current levels plus inflation. The bill does away with the traditional federal-aid highway formulas used to apportion funds to states and does not add new formulas. Under the bill, each state will be apportioned a percentage of the total authorized formula funding equal to the proportion received for FY05-09. The level will be adjusted to make sure each state receives a 95% rate of return on Highway Trust Fund Account tax payments.

MAP-21 consolidates core highway programs into 6: National Highway Performance Program, Transportation Mobility Program, Metropolitan Planning, National Freight Program, CMAQ, and Highway Safety Improvement Program. The bill consolidates surface transportation programs down from 90 to 30. Notable eliminations are the Appalachian Development Highway System, Ferry Boat Discretionary, and Safe Routes to Schools programs.

The specific information as to each state's dollar amount and total share under MAP-21 is being closely guarded by the Senate EPW Committee. By our best estimate, North Carolina stands to see an increase in federal funding under MAP-21 given that our rate of return on Highway Trust Fund contributions will go up to 95% from the average of 91.3% under SAFETEA-LU.

While Senate EPW Committee approval is a first step, prospects for enacting MAP-21 hinge on the Senate Finance Committee finding a funding source to bridge a \$12 billion gap between the funds generated for the Highway Trust Fund from current taxes and the authorized spending levels. Two additional Senate Committees have jurisdiction over other titles of the legislation. The table below shows the other Senate Committees and their jurisdictions.

Committee	Areas of Jurisdiction	Timeframe
Senate Finance	Identifying new revenue; extension of the current taxes that fund the Highway Trust Fund	Unknown
Senate Banking, Housing, and Urban Affairs	Transit	Mark-up possible the week of November 28
Senate Commerce, Science, and Transportation	Highway Safety, Rail	Mark-up before the end of calendar year 2011

Moving any package of new revenues outside the auspices of the Joint Select Committee on Deficit Reduction (commonly known as the Super Committee) will be difficult. The Super Committee is required to report their bill by November 23 and it is likely that all major revenue and spending decisions will be postponed until the Super Committee has issued its legislative recommendations.

In the House, work is progressing slowly on identifying enough offsets to pay for their preferred six-year reauthorization. The leadership has ruled out any increase to the taxes that currently fund the Highway Trust Fund and is looking at energy revenues as possible pay-fors for a transportation bill.

FY 12 Federal Appropriations

The Senate approved their FY12 Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations Bill as part of a larger package of bills known as a “minibus” (also included were the Agriculture and Commerce-Justice-State bills) on November 1.

Conference negotiations with the House began soon thereafter and on November 14 a conference report for the package was agreed to. The conference agreement lowers the obligation limitation on the federal-aid highway program from the 2010 and 2011 level of \$41.107 billion down to \$39.144 billion. It also includes an increase in appropriations for emergency relief highways at a level of \$1.662 billion (up from the FY11 level of \$1.5 billion).

The federal fiscal year ended September 30 and funding has been extended through a series of continuing resolutions. The current continuing resolution expires on November 18. The conference report for the “minibus” includes another continuing resolution through December 16. Both the House and Senate are expected to approve it before the end of the week.

Purpose:

The purpose of the NCDOT State Funded Bridge Improvement Program is to ensure that the Department successfully meets the Legislative initiative to commit approximately \$450M in state funds allocated for Bridge Improvement Projects (\$215M in SFY 2011-2012 and \$235M in SFY 2012-2013).

Principal Goal:

The principal goal for utilizing the \$450M in allocated state funds is to “move the needle” in regards to the Bridge Health Index as part of the Department’s ongoing sustainable infrastructure management program.



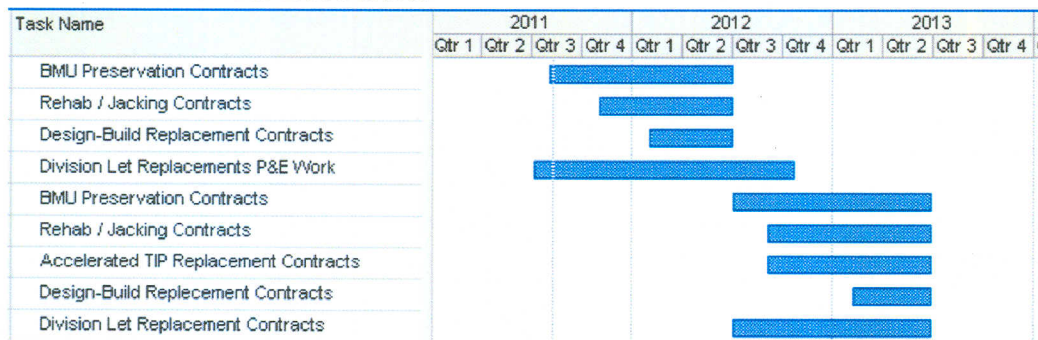
Project Procurement Options:

In order to successfully meet this aggressive initiative which will impact approximately 1,200 of North Carolina’s bridges across the State, the Department will utilize numerous project procurement methodologies including Design-Build Contracts, Division Purchase Order Contracts, and Structures Management Unit Contracts. The Department will also employ a mix of both in-house engineering staff and Private Engineering Firms to perform the necessary engineering design work for these bridge replacement, rehabilitation, and preservation type projects.

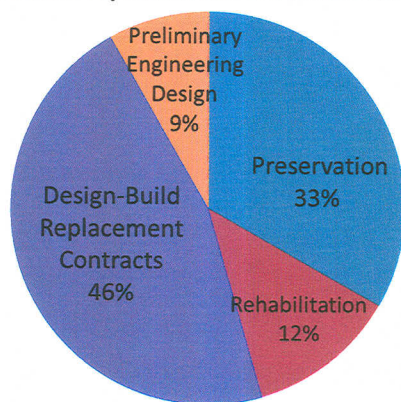
Bridge Improvement Project Types:

- **Bridge Replacement Projects:** (1) Replace Bridge with Bridge, (2) Replace Bridge with Pipes or Culverts
- **Bridge Rehabilitation Projects:** (1) Replacing Decks, Spans, Girders (2) Jacking Bridges (3) Major System Preservation
- **Bridge Preservation Projects:** (1) Hydro Demolition, Resurfacing Decks (2) Painting Structural Steel (3) Cleaning Bearings / Painting Bearings (4) Repairing / Replacing Expansion Joints (5) Pile Encapsulation

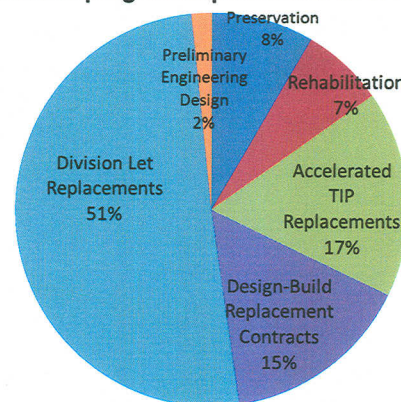
Current Forecasted Timeframe to Let Contracts:



The charts below represent current forecasted approximations of program expenditures as of 11/15/11:



Year 1 (SFY ending 06/30/12)



Year 2 (SFY ending 06/30/13)

More Information Online:

<http://www.ncdot.gov/projects/ncbridges/improvement.html>
http://www.ncdot.org/doh/preconstruct/altern/design_build/
<http://www.ncdot.org/doh/preconstruct/ps/contracts/letting.html>

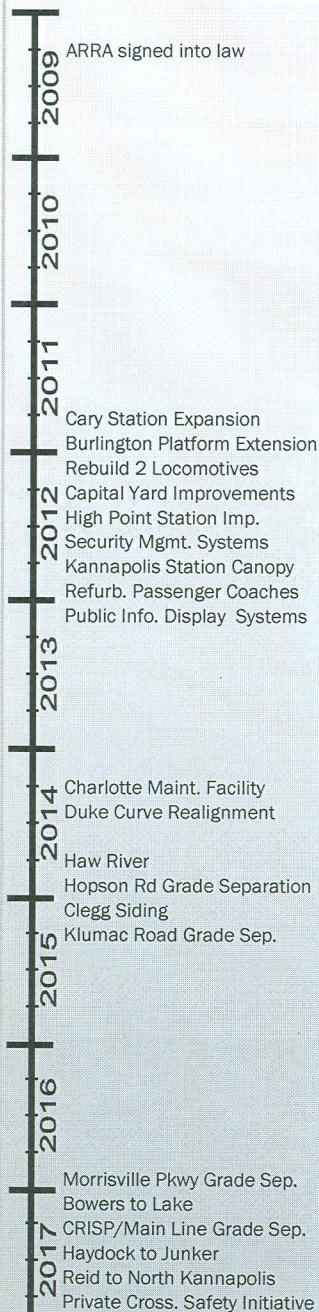
NCDOT Piedmont Improvement Program (PIP) (FR-HSR-0006-10-01-00)

2011 - October



Program Status Report

Major Schedule Items



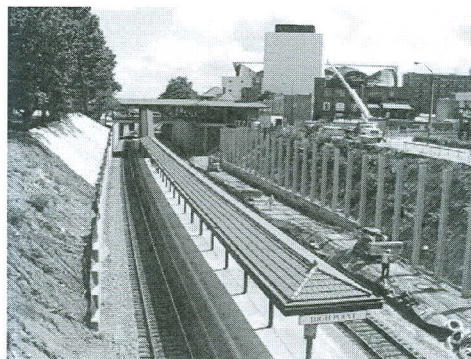
Current Month Update

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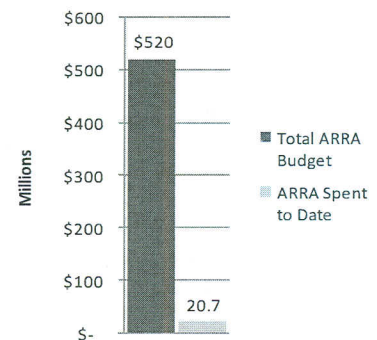
Job-Years To Date

October 2011 Summary

- The equivalent of 60 jobs were provided by the program this month.
- Total ARRA expenditures - \$1,405,727
- ARRA payments to vendors - \$1,282,731
- New contracts this month - 8, worth \$1,021,609



Budget



Cumulative Update

ARRA information (through the end of October 2011)

- Seventy (70) job-years have been funded by the program to date.
- Total ARRA expenditures - \$20,733,472
- Total ARRA Funds Reimbursed - \$18,974,839
- Fifty-one (51) open purchase orders worth \$16,328,565
- Total Payments to Vendors - \$12,871,122



NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
RAIL DIVISION
Hatch Mott MacDonald