



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

BEVERLY EAVES PERDUE
GOVERNOR

EUGENE A. CONTI, JR.
SECRETARY

December 15, 2011

MEMORANDUM TO: AGC-DOT Joint Cooperative Committee Members
FROM: Victor Barbour, PE
SUBJECT: September 21, 2011 Minutes for the Joint Cooperative Committee Meeting

The Joint Cooperative Committee of the AGC-DOT met at 10:00 a.m. on September 21, 2011 in the Board of Transportation Conference Room at the Highway Building on South Wilmington Street in Raleigh with the following in attendance:

Debbie Barbour	Mark Foster	Bryan Long	Jule Smith
Victor Barbour	R.A. Garris	Art McMillan	Lamar Sylvester
Christie Barbee	Ricky Greene	Graham Moore	Burt Tasaico
Chris Britton	Brad Goodson	Donnie Oldham	Bill Tomlinson
Kevin Burns	Berry Jenkins	Shelton Russell	Ricky Vick
Alan Cahill	Drew Johnson	Natalie Roskam	Paul Worley
Terry Canales	Daniel Keel	Ron Shaw	Sam Young
Susan Coward	Bob Lofling		

AGENDA AND DISCUSSION ITEMS

Financial Update

Mark Foster

Mr. Foster reported that the Department is on track with revenue at the end of the first quarter. Overall revenues are up 4% with gains in the gas tax revenue of 6%, in the highway use tax revenue of 4%, and in the DMV fee revenue of 2%. North Carolina met the original maintenance of effort requirements for ARRA projects and qualified for Federal redistribution of \$40 million. Mr. Foster noted that the rebuild efforts continue in the aftermath of Hurricane Irene.

The Monroe Bypass project is waiting on the outcome of the Southern Environmental Law Center's lawsuit. Financing for this project will be quick once the Department receives the judge's decision. The Department is expecting a limited notice to proceed for the Mid-Currituck Bridge project to allow the engineering work to begin followed by finances within 180 days. A lawsuit is anticipated for this project.

GAP funding for Mid-Currituck Bridge and Garden Parkway projects remains in place, but the timetable for the funding was adjusted in the last legislative session. The Turnpike Authority anticipates the Mid-Currituck Bridge project to be under contract by January with a concession agreement.

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Legislative and Congressional Update

Susan Coward

Ms. Coward reported that the gas tax did not get capped. The attached Federal briefing (Attachment #1) shows reauthorization funding levels. The House version has a 35% reduction in the current program, and the Senate version has a 1.4% reduction in the current program but has a \$12 billion dollar deficit. The appropriations committee has extended the vote until next year. Ms. Coward reported that the President's Jobs Act includes about \$50 billion for transportation or about the same funding levels as seen in 2009 of about \$750 million for the State.

The committee discussed the fact that North Carolina is a donor state and how the funding is received from the Federal government. Mr. Foster noted that North Carolina is one of the few states that will have the cash available to help with planning, if there is a cut in Federal funding levels.

Letting Projections

R.A. Garris

Mr. Garris reported that the upcoming work on the twelve-month let list totals \$1.5 billion including Design Build. There are 16 projects greater than \$30 million. Three are Design Build projects which total \$979 million. There are four bridge replacement projects which are greater than \$10 million in June and August 2012. There are 78 bridge replacement projects on the twelve-month let list, and 15 Design Build bridge projects in October. The bridge improvement program has 1,749 bridge improvements identified to be let by December 2013.

N.C. Turnpike Authority Update

Berry Jenkins

Mr. Jenkins noted that the Triangle Expressway is ahead of schedule and reminded everyone of the Triangle Expressway Trot on November 20.

NCDOT Rail Program Update

Paul Worley

Mr. Worley reported that all but two rail projects are in the final design stage. The first projects will be let in the third quarter of 2012. These projects are the Haw River siding project for \$17.4 million, the Klumac Road grade separation in Salisbury for \$9.2 million, Clegg passing siding in RTP for \$8.8 million, and the Hobson Road grade separation in RTP for \$13.8 million. Top challenges include the FRA review of the environmental documents being conducted by one attorney and the railroad agreements. The approval of 25% of the plans is expected by October 21. The bulk of the ARRA funding will be June 2012 through June 2016. The first completed project, the Cary Depot, was dedicated on October 3.

Vegetation Special Provision

Lamar Sylvester

Mr. Sylvester reviewed a proposed provision for establishing vegetation (Attachment #2). He explained that this provision establishes a final completion time that includes permanent vegetation as already required by the contract. This provision allows the Department to pay for the operations needed to establish a permanent stand of vegetation prior to final acceptance. If there is not a permanent stand of vegetation 180 days after the work is accepted under an intermediate contract time, liquidated damages are identified. Concern was expressed with regard to the pay items and speed of final inspection for the permanent stand of vegetation. Mr. Jenkins noted that the stormwater permit requires 80% coverage. Mr. Sylvester asked for comments on the provision.

Subletting Provisions

Berry Jenkins

Mr. Jenkins expressed concern over the potential for brokering of NCDOT work and discussed the Department's draft provision. He reported that discussions were continuing regarding the timeline of when the Contractor would notify the Department of all subcontracted work, limits on counting material purchases as work, and the percentage of work required to be performed by the prime contractor's own forces.

Prequalification

Ricky Vick

Mr. Vick noted that his company can not get prequalified for Selective Vegetation Removal or Stream Restoration within the current prequalification system. He requested a review of categories and how contractors are qualified. He noted that hiring skilled workers to complete tasks in-house versus subcontracting work was a business decision. Ms. Canales reported that the Contractual Services Unit is working to streamline the categories and prequalification process.

Mr. Vick commented, if a 16-month or 24-month let list were available, it would be helpful for planning purposes.

Storm Water Permit Revisions

Berry Jenkins

Mr. Jenkins noted that the new Stormwater permit went into effect.

Extranet

R.A. Garris

Mr. Garris noted that the extranet is currently in the planning stages. Contractors will have an NCID login to access project information in real time with content such as highway letting information, project specific information, addendums, comment sharing, and email alerts. Mr. Jenkins asked for a list from AGC members of what type of information would be useful on this type of site.

Next Meeting Date

The next meeting is scheduled for November 17 at 10:00 a.m. at the Chief Engineer's Conference Room at the NCDOT Equipment and Maintenance Facility on Beryl Road in Raleigh.

Federal Legislative Update September 21, 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, the latest of which expires on September 30, 2011. Along with it, the authority to collect the federal gas tax, the primary source of funding for the Highway Trust Fund, will also expire. If collection of the gasoline tax lapses, it will have serious and far-reaching implications on our state transportation program.

Last week the House of Representatives and Senate approved a six month extension (to run through March 31, 2012) of SAFETEA-LU at current funding levels. The bill also includes an extension of FAA programs set to expire on September 16, 2011 through January 31, 2012 and an extension of the 14 cents of the gasoline tax that would have expired on September 30, 2011. The bill was signed into law by the President on September 16, 2011.

The House and Senate have taken different approaches on the size and duration of a reauthorization bill. The House is proposing a six-year bill funded at current levels available in the Highway Trust Fund, \$230 billion (a 35% cut from existing funding levels). The biennium reduction to North Carolina under this funding level is \$770 million (\$680 million highway; \$90 million transit). The Senate proposal authorizes Federal-aid highway programs for 2-years at current spending levels, totaling \$109 billion. This approach leaves a shortfall of \$12 billion for which the Senate Finance Committee is exploring various offset options but so far has been unable to come up with a solution.

FY 12 Federal Appropriations

On September 8, 2011, the House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies approved their FY12 Appropriations bill. The bill reduces Highway Trust Fund funding levels for highways and mass transit to the maximum that the Congressional Budget Office says can be sustained at current tax rates with no additional general fund monies. This will result in a 34% cut in the federal-aid highway obligation limitation.

On September 20, 2011, the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies considered and approved their version of the FY12 Appropriations Bill. It would maintain current funding levels for Highway Trust Fund program obligation limitations (\$41.1 billion for highways and \$8.3 billion for transit). It also includes \$550 million for the TIGER discretionary grant program (the House provided no funding for the program). The full Senate Appropriations Committee is expected to consider the bill on September 21, 2011.

Since the federal fiscal year ends September 30, 2011 and Congress has not completed work on all the FY12 appropriations bills, it is likely a continuing resolution will have to be passed. The House has unveiled a continuing resolution to run through November 18, 2011. It is funded at \$1.043 trillion, a 1.4% cut from FY11 levels.

JOBS Act

The President's recently released Jobs Bill would re-propose the \$50 billion in transportation funding included in the President's FY 12 Budget. It includes:

- \$27 billion for highways (to be distributed to states via existing formulas)
- \$9 billion for transit of which \$6 billion is for State of Good Repair projects to be distributed by formula and \$3 billion is for bus and bus improvement projects
- \$6 billion for Amtrak/High Speed Rail
- \$5 billion for TIFIA/TIGER Grants

The JOBS bill also calls for \$10 billion to be put toward the establishment of a national infrastructure bank.

Permanent Vegetation Establishment

Establish a permanent stand of the vegetation mixture shown in the contract. During the period between initial vegetation planting and final project acceptance, perform all work necessary to establish 70% coverage of permanent vegetation within the project limits, as well as, in borrow and waste pits. This work shall include erosion control device maintenance and installation, repair seeding and mulching, supplemental seeding and mulching, fertilizer topdressing, watering as directed, reclamation of eroded soil and grading to the plan typical sections, and furnishing and placing additional soil or stone material needed to complete the work.

Once the Engineer has determined that 70% coverage of permanent vegetation has been established, the Contractor will be notified to remove the remaining erosion control devices that are no longer needed. The Contractor will be responsible for, and shall correct any areas disturbed by operations performed in permanent vegetation establishment and the removal of temporary erosion control measures, whether occurring prior to or after placing traffic on the project.

Payment for *Response for Erosion Control, Seeding and Mulching, Repair Seeding, Supplemental Seeding, Fertilizer Topdressing, Silt Excavation, Water, Borrow Excavation or Stone for Erosion Control* will be made at contract unit prices for the affected items. Payment for the maintenance and removal of temporary erosion control measures is incidental to the various pay items in the contract. No additional compensation will be made for maintenance and removal of temporary erosion control items.