July 26, 2012

MEMORANDUM TO: AGC-DOT Joint Cooperative Committee Members

FROM: Victor Barbour, PE

SUBJECT: July 26, 2012 Minutes for the Joint Cooperative Committee Meeting

The Joint Cooperative Committee of the AGC-DOT met at 10:00 a.m. on July 26, 2012 in the Chief Engineer's Conference Room at the NCDOT Equipment and Maintenance Facility on Beryl Road in Raleigh with the following in attendance:

Philip Bickham  Berry Jenkins  Mike Manning  Burt Tasaico
Kevin Burns  Drew Johnson  Jeff Mullins  Trent Sherrill
Terry Canales  Don Lee  Ellis Powell  Lamar Sylvester
Ken Cates  Bob Lofling  Mike Robinson  Ricky Vick
Randy Garris  Bryan Long  Natalie Roskam  Paul Worley
Ricky Greene  Mike Long  Rodger Rochelle  Sam Young
Ron Hancock

AGENDA AND DISCUSSION ITEMS

Financial Update  Mark Foster/Burt Tasaico

Mr. Tasaico presented the state’s revenue based on transportation related taxes and fees. He highlighted that the motor fuel tax rate contributes 62% of the revenue, which missed by 2%. This was down due to fuel consumption reduction. Also, the highway use tax contributes 17-18% of revenue, and was up 6%. DMV fees missed, and Mr. Tasaico said he will be working on predicting a more reasonable forecast for these fees. Revenue was forecasted at $3,065,000,000, but actual revenue was $3,016,000,000, for a miss of 1.6%. FY2013 expenditures are based on a forecasted revenue of $3,050,000,000 (includes capping of gas tax at 37.5 cents/gallon). The handout shows how each element of revenue has hit or missed revenue forecasts for the past 4 years (2009 has a third bar chart, which represents a forecast revision due to the extreme downturn in the economy).

Letting Projections  Victor Barbour/Randy Garris

Mr. Garris provided a handout for the 12 month let list. The cover sheet shows 16 major projects that include design builds and conventionally let projects. He highlighted the addition of NC-24 projects (June 2013) R-2303B, C, D, offered as a cluster. These 16 major projects amount to
almost $1 billion. Major highway bridge projects are also shown on the handout. There are 73 TIP bridge replacement projects between August and July, 12 bridge preservation projects and one express design build with six bridge replacements. The bar chart on the opposite side of the handout shows a summation by month of the different types of projects, and the total value per month, totaling up to the $1.76 billion budget.

A contractor asked about an update for R-3307, and it was stated that there were some issues with US Coast Guard issuing necessary permits. There were issues with ship mast heights being able to clear bridge decks. Coast Guard’s preliminary thoughts were that the bridge would need to be 77 feet high, whereas the DOT planned for 65 feet of clearance.

Legislative and Congressional Update

Mr. Tasaico issued a handout about the MAP-21 Bill. The finance plan of Map 21 has a projected forecast of $4 billion by September 30, 2014 for the highway account, while the Transit Account is $1 billion. This money is for the use of all 50 states. Once the states’ spending exceeds this amount, communication is necessary between the states on how the money will be reimbursed to the states by the US DOT Highway Trust Funds. 92% of all federal revenues come from the federal gas tax, which is currently capped. Because consumption of fuel is flat or declining, no new money is coming into these trust funds.

Map 21 is a 27 month bill, but most provisions don’t kick in until October 1, 2012 (next fiscal year), so it is really a 24 month bill. Map 21 offers provisions for streamlining projects, and measuring performance (National Highway Performance Program). A provision states that each state must develop a performance measure/standard or not be reimbursed through the National Highway Performance Program. Roughness of asphalt, condition of bridges, etc. can be considered in performance measures.

Most programs have about the same amount of funding as the previous bill. The funding that received the most benefit from the new Map 21 program was the Highway Safety Program. The North Carolina ferry allocation will not be done discretionarily, but by a program with a formula that prescribes funding. North Carolina operates the 2nd largest ferry operation in the country.

Mr. Memory announced that the General Assembly passed over the veto on the budget. He also said they capped the gas tax at 37.5 cents/gallon. Revenue was adjusted according to this cap, but was done by moving money from unexpended contingency funds into the bridge project and resurfacing project programs, so that the original budget from last year would not run out prematurely. The Mobility Fund was created 2 years ago to address projects of statewide and regional significance. Last year the General Assembly kept this fund alive, but took all the money out of it and placed it in reserves in order to develop plans and priorities for the money. That prioritization took place in the interim, and once the Assembly returned they approved the plans and put the money back into the fund, and has it funded on a recurring basis. The money in the fund now, the top 20 priorities will be completed in the next 10 years.

Better protection of contract documents in the bid process was a key change in the session as well. The Assembly changed the P3 legislative authority for the I-77 project. The Assembly codified some executive orders, to include removing the board from the project decision making process, the prioritization language, and the board ethics policy. Finally, Mr. Memory touched
on the fact that the House side of legislation will have a 30-40% turnover rate next year, which means 2/3 of the members of the House will be in their first or second term, and it will be a “very different place”.

**Rail Program Implementation**

Mr. Worley mentioned there will be a contractor workshop on August 3, 2012 to present project information. A map was presented showing all projects and work that will be contracted. A spreadsheet was presented, which has been modified with added columns for “potential construction indirect and direct jobs created”, “programmatic direct and indirect jobs created”, and “anticipated percentage of budget going to private industry”. Included were most up to date advertisement and let dates for these projects.

**Davis-Bacon Wage Rate Survey**

Results from the survey were sent to DOL on 20 June, and a response was requested by 31 July. The results were sent to the Atlanta regional office as well as Washington D.C. The Atlanta regional office is making the initial review. As of 20 July, only minor questions were asked by the regional office, but they said they were still developing questions regarding the survey. Mr. Hancock is hopeful to have these new wage rates published as early as September contract production.

**Prequalification/Requalification Discussion**

A subcommittee was developed to discuss this issue, which met on Tuesday, 24 July. The main point from this meeting was to try to find a way to provide NCDOT information it needs in a simpler and faster methodology. Mr. Vick made the point that they get prequalified in Virginia, South Carolina, Florida, and North Carolina, with 99% of the workload in NC, however it takes longer to get prequalified for NC than the other three states combined. This is due to the number of work codes in NC being greater than the number of the “other three states combined.” Mr. Vick is hopeful that a new process will be developed by the next time the AGC Joint Committee meets.

**Pipe Removal Pay Item**

Mr. Manning said the Roadway Subcommittee chaired by Randy Garris is the better forum to discuss this topic, which was discussed on Tuesday, July 24.

**New NC DOT Project Letting Website**

On August 17, 2012, the project letting site will look somewhat different. All existing information will be relocated to the “Connect NCDOT” site. The old page will be re-routed to the new page automatically, so the new page can be accessed by old bookmarks. Contractor resources and some information from the left hand side of the old webpage may be under some new tabs, but the current letting and advertisement will still be centered on the screen. There will be links on the page to provide feedback to the web team, such as suggestions for improvement. A comprehensive database of every project available statewide will be on the new website. This prevents contractors from needing to understand and dig through the DOT organizational chart to
find what projects they are interested in. There will also be a new search feature, which should be much more efficient. The new website address will be: connect.ncdot.gov.

**Update for 3 Year FHWA DBE Goal**

Victor Barbour

Most recent and final meeting was on Tuesday, 24 July, and the three year DBE goal is currently at 14.6%, with 11.6% being race-conscious and 3% being race-neutral.

**Next Meeting Date**

The next meeting is scheduled for September 20, 2012 at 10:00 a.m. in the Chief Engineer's Conference Room at the NCDOT Equipment and Maintenance Facility on Beryl Road in Raleigh.
## Total Cost Estimate Large Bridge Projects > $10 Million

<table>
<thead>
<tr>
<th>Cost</th>
<th>Description</th>
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<tbody>
<tr>
<td>$1,696,900,000</td>
<td>Joint Cooperative Committee July 26, 2012 - April 2013</td>
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## Bridges Exceeding $30 Million

<table>
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<tr>
<th>Cost</th>
<th>Description</th>
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<tr>
<td>$1,696,900,000</td>
<td>Large Bridge Replacement Projects Between May 2012 and April 2013</td>
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<tr>
<th>Cost</th>
<th>Description</th>
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<tbody>
<tr>
<td>$1,696,900,000</td>
<td>Nine Bridges Exceed $30 Million</td>
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## Large Bridge Projects $30 Million (May 2012 - April 2013)
<table>
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<tr>
<th>MLGSPCS</th>
<th>Track and Structures</th>
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**Joint Cooperative Committee**
**July 26, 2012**

**NCDOH's Pre-Bid Improvement Program - Anticipated Construction Projects**

<table>
<thead>
<tr>
<th>Project No.</th>
<th>Division</th>
<th>ncl Number</th>
<th>Project Description</th>
<th>Project Location</th>
<th>Estimated Cost (2012)</th>
<th>Status</th>
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**Last Update:** 7/2/2012
## Piedmont Improvement Program Contractor Workshop

**Friday, August 3, 2012**
The McKimmon Conference and Training Center | Raleigh, NC
1101 Gorman Street, Raleigh, NC 27606

### AGENDA

<table>
<thead>
<tr>
<th>TIME</th>
<th>EVENT TITLE</th>
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<tbody>
<tr>
<td>7:00a-8:00a</td>
<td>Registration / Breakfast</td>
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<tr>
<td>8:00a-8:20a</td>
<td><strong>Conference Welcome</strong></td>
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<tr>
<td></td>
<td>Anthony L. Fuller, NCDOT Rail Division Director</td>
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<td></td>
<td>Paul F. Morris, FASLA, NCDOT Deputy Secretary for Transit</td>
</tr>
<tr>
<td>8:20a-9:45a</td>
<td><strong>Presentation of Projects &amp; Opportunities</strong></td>
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<tr>
<td>9:45a-10:15a</td>
<td><strong>Small Business Inclusion</strong></td>
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<td>NCDOT Contractual Services / NCDOT Business Opportunity and Workforce Development</td>
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<tr>
<td>10:15a-10:45a</td>
<td><strong>Morning Break &amp; Networking</strong></td>
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<tr>
<td>10:45a-11:30a</td>
<td><strong>Introduction to the Railroad Construction Environment</strong></td>
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<tr>
<td>11:30a-12:00p</td>
<td><strong>Presentation of Projects (continued)</strong></td>
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<tr>
<td>12:00p-1:30p</td>
<td><strong>Lunch &amp; Networking</strong></td>
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<td>Lunch Sponsored by CarolinasAGC</td>
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<td></td>
<td>Anthony L. Fuller, NCDOT Rail Division Director</td>
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<td>Speaker: Eugene A. Conti, PhD, NCDOT Secretary of Transportation</td>
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<td>1:30p-3:00p</td>
<td><strong>Requirements &amp; Safety Initiatives / Prequalification and Procurement Processes</strong></td>
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<tr>
<td>3:00p-4:00p</td>
<td><strong>Q&amp;A</strong></td>
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Save the Date!

Piedmont Improvement Program Contractor Workshop

WHAT?
Piedmont Improvement Program Contractor Workshop

WHY?
- Communicate project-level ARRA details and business opportunities.
- Share NCDOT plans to implement its program of projects.
- Facilitate interaction among large and small firms.
- Provide technical assistance for companies that want to work in the railroad environment.

As part of the American Recovery and Reinvestment Act (ARRA), North Carolina has been awarded $545M under the Passenger Rail Investment and Improvement Act. These funds have been allocated for the design and construction of elements of the State’s Southeast High Speed Rail (SEHSR) project.

As the recipient of these funds, the North Carolina Department of Transportation (NCDOT) is presenting the Piedmont Improvement Program Contractor Workshop on August 3, 2012. This event is dedicated to educating the business community about the ARRA program and associated projects in the NC rail industry.

For more information, please contact Angela Ray at 919-852-0533 or by email at conference@piedmontrail.biz.
TRANSPORTATION

• Delays implementation of collection of ferry tolls on new routes until July 1, 2013. The ferry division budget will be supplemented by $2 million in Highway Trust Fund funding formerly appropriated to the Turnpike Authority for project studies related to the Mid-Currituck Bridge project and $500,000 from the Highway Fund General Maintenance Reserve. (HB 874)

• Codifies the prioritization process developed by the Department for Mobility Fund projects. (HB 950)

• Caps the motor fuel excise tax rate at 37.5 cents through July 1, 2013. (HB 950)

• Transfers $22 million in unexpended contingency fund appropriations to the Highway Fund. (HB 950)

• Eliminates the “New Starts” program and earmarks the remaining balance of $25 million for light rail in Charlotte. (HB 950)

• Allows Highway Trust Funds, subject to equity distribution, to be used for fixed guideway projects, including match fund for federal grants, beginning July 1, 2013. (HB 950)

Other key transportation related legislation enacted includes:

• Changes to the Department’s public private partnership law that will help facilitate the procurement of the I-77 HOT lanes project. (HB 1077)

• Authorization of reciprocity agreements for toll payments between the Turnpike Authority and other toll agencies. (SB 749)

• Changes the position title of “State Highway Administrator” to “Chief Engineer” in keeping with recent reductions in management layers within the Highway Division (SB 895)

• Vehicle registration renewal may be blocked for unpaid open road tolls. (SB 895)

• Changes in the motor vehicles that receive permanent registration plates. (HB 989)

• Changes in the definition of an area that can be represented by a Rural Planning Organization (RPO). (SB 889)

• Codified previous Executive Orders aimed to remove politics from transportation decision-making by transferring from the Board of Transportation to the Secretary of Transportation the authority to: (SB 890)

  1. Approve all highway construction projects and construction plans;
  2. Award all highway construction contracts;
  3. Promulgate rules, regulations, and ordinances concerning all transportation functions assigned to NCDOT;
• Codified Executive Order to make the Board of Transportation subject to the state ethics policy. (SB 890)

• Codified Executive Order requiring the Department to develop and utilize a strategic prioritization process for selection of transportation projects. (SB 890)

• Modified vehicle weight limits and restrictions on the movement of farm equipment to allow for greater movement of goods and services. (SB 749)
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Joint Cooperative Committee
July 26, 2012

Percent Difference (%)

Difference (49.5M (1.6%)
Actual $3'016.1M
Forecast $3'065.6M

Motor Fuel Tax
Gas Rate

Total Funds (%)
Percent of

Foremost vs Actual
SFY 2012 State Transportation Revenue Sources

Other License and Fees
International Registration Plan
Truck Plates
Driver License Fees
Registered Registration
Highway Use Tax
5 Year Forecast vs Actual State Transportation Revenues

Joint Cooperative Committee
July 26, 2012
at least a 95% rate of return on its Highway Account tax payments. Here is a breakdown of North Carolina's estimated apportionment under the conference agreement:

<table>
<thead>
<tr>
<th></th>
<th>FY 2011 Actual</th>
<th>FY 2012 MAP-21</th>
<th>FY 2013 MAP-21</th>
<th>FY 2014 MAP-21</th>
</tr>
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<tbody>
<tr>
<td>North Carolina</td>
<td>$1,080,286,189</td>
<td>$1,006,490,585</td>
<td>$1,006,490,585</td>
<td>$1,015,116,316</td>
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**Program Restructuring**

The conference agreement largely mirrors the program consolidation proposals put forth by the House (in their abandoned bill, H.R. 7) and Senate (in their passed bill, S. 1813). The highway program is structured around four core formula programs: National Highway Performance Program, Surface Transportation Program, Highway Safety Improvement Program, and Congestion Mitigation and Air Quality Program.

**Ferry Boats and Terminals Program**

The conference agreement provides $67 million annually for Ferry Boats and Terminals as contract authority from the Highway Trust Fund. All the funding will be distributed by formula based on number of passengers (20%), number of vehicles carried (45%), and route miles (35%).

**Innovative Financing**

The conference agreement increases TIFIA funding to $750 million in FY 2013 and $1 billion in FY 2014. The maximum share of project costs is raised from 33% to 49%. The agreement also includes a 10% annual set-aside for infrastructure projects in rural areas (defined as those located in areas with populations less than 250,000).

**Tolling and PPPs**

The conference agreement expands the ability of states to place tolls on federal-aid facilities for new capacity, but clarifies that the number of new toll lanes on non-Interstate federal roads cannot exceed the number of free lanes. The conference agreement does not include the provision from S. 1813 (known as the Bingaman amendment) that reduced highway formula funding for states that sell or lease toll facilities to private companies.

**Transit**

The conference agreement authorizes $10.584 billion for FY 2013 and $10.701 billion for FY 2014 for transit programs.

**Rail**

The rail title included in S. 1813 was dropped from the final conference agreement.
Analysis of Surface Transportation Reauthorization Conference Report, the Moving Ahead for Progress in the 21st Century Act (MAP-21)
July 2012

On June 29, 2012 the House and Senate approved a surface transportation reauthorization conference agreement. The agreement is based on a two-year reauthorization bill passed by the Senate in March 2012 (S. 1813) and an extension bill of SAFETEA-LU passed by the House in April 2012 (H.R. 4348) as a vehicle to go to a House-Senate conference with the Senate’s bill. The House was unable to pass their five-year reauthorization bill (H.R. 7) earlier this year. President Obama signed the bill into law on July 6, 2012.

House and Senate conferees on the surface transportation reauthorization bill were named in late April and since that time members have been negotiating a conference agreement. As the expiration date of the current extension (June 30) approached, the leadership of the conference committee renewed efforts to reach an agreement.

Outlined below is an initial overview of the highlights of the agreement.

**Funding Levels and Duration**

The conference agreement authorizes federal highway, transit, highway safety and motor carrier safety programs through September 30, 2014. This is one year longer than the duration of the Senate-passed bill. The House had advocated for a five-year bill but was unable to identify additional revenue sources to fund a bill of that length.

The conference agreement would provide total funding from the Highway Trust Fund of $109.2 billion over the two-year period of fiscal years 2013 and 2014 for surface transportation programs.


For contract authority from the Highway Trust Fund, the conference agreement provides a total of $40.439 billion for the Federal Highway Administration in FY 2013 and $40.995 billion in FY 2014. This compares to a total of $41.024 billion enacted for FY 2012.

For formula apportionments to the states, the report provides $37.544 billion in contract authority in FY 2013 and $37.865 billion in FY 2014.

The bill extends all current Highway Trust Fund taxes through September 30, 2016.

**Distribution of Formula Funding**

The conference agreement mirrors the Senate’s approach by doing away with the traditional federal-aid highway formulas used to apportion funds and instead distributing funds to states based on each state’s share of total highway funds distributed in FY 2012. These amounts would include both apportioned formula and allocated amounts. In FY 2014, there is an adjustment made to ensure that each state gets
MOVING AHEAD FOR PROGRESS IN THE 21ST CENTURY ACT
(MAP-21)

ANTICIPATED FEDERAL-AID HIGHWAY PROGRAM APPORTIONMENTS FOR FFY13

National Highway Performance Program (NHPP) - $591.7 M

NHPP is to support the condition and performance of the National Highway System (NHS routes). Replaces NHS ($161.4M), IM ($137.5M), and the on-system Bridge Programs ($92.9M). Adding in Equity Bonus ($208.2M) dollars gives a 2012 comparison amount of $600.0M.

Surface Transportation Program (STP) - $272.2 M

STP is to preserve or improve conditions and performance on any federal-aid highway, bridge projects on any public road, facilities for non-motorized transportation, transit capital projects and public bus terminals and facilities. Replaces STP ($166.6M), Appalachian Development Highway System (ADHS) ($30.7M), and off-system Bridge Programs ($16.4M). Adding in Equity Bonus ($87.2M) gives a 2012 comparison amount of $300.9M.

Highway Safety Improvement Program (HSIP) - $65.0 M

HSIP is to continue the SAFETEA-LU Highway Safety and Rail-Highway Crossing Programs. Replaces HSIP, Railway-Highway Grade Crossing, and High Risk Rural Roads Programs. 2012 comparison amount was $34.8M.

Congestion Mitigation and Air Quality Program (CMAQ) - $49.0 M

CMAQ is to continue to provide a flexible funding source to State & local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. Continues CMAQ Program. 2012 comparison amount was $39.3M.

Transportation Alternatives (TA) - $23.0 M

TA is to provide for a variety of alternative transportation projects that were previously eligible activities under separately funded programs. Replaces STP-Enhancement ($17.7M), Recreational Trails ($1.5M), and Safe Routes to Schools Programs ($4.7M). There are a few additional new eligibilities including constructing roadways within the right of way of former Interstate or other divided highways. 2012 comparison amount was $23.9M.

Metropolitan Planning - $5.5 M

Pass through planning funds for MPOs. Continues current program with new performance based requirements. 2012 comparison amount was $5.3M.