April 15, 2013

MEMORANDUM TO: AGC-DOT Joint Cooperative Committee Members

FROM: Victor Barbour, PE

SUBJECT: March 21, 2013 Minutes

The Joint Cooperative Committee of the AGC-DOT met at 10:00 a.m. on March 21, 2013 in 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  Tim Goodson  Bob Lofling  Jule Smith
Kevin Burns    Ricky Greene  Graham T. Moore  Jason Soper
Terry Canales  Ron Hancock  Jon Nance  Jim Trogdon
Mark Foster    Berry Jenkins  Ellis Powell  Ricky Vick
Randy Garris   Drew Johnson  Natalie Roskam  Pete Weber
Tami Gabriel   Daniel Keel   Ron Shaw
Terry Gibson   Don Lee       Trent Sherrill

**AGENDA AND DISCUSSION ITEMS**

**Revenue Update and Federal Funding Issues**  Mark Foster

The Governor released his proposed budget yesterday leaving transportation basically flat at about $3 billion in state funds. Rehabilitation of infrastructure, such as resurfacing projects and the bridge rehabilitation programs, had an expansion in the budget. The gas tax revenue is projected to decrease by $130 million by 2015 with the trend in increased fleet fuel economy. The highway use tax is predicted to have a modest increase in the next few years.

In Washington, transportation was not in the forefront of the budget discussions. The Senate restored the $700 million in MAP-21 funding cut by the House. The Senate’s proposed budget is predicted to pass.

The North Carolina General Assembly is discussing tax reform. The committee briefly discussed the recent changes in Virginia’s tax model.
Letting Projections

Mr. Garris provided an analysis of the current 12 month let list. The Department is reviewing the current letting list to possibly level out lettings from October 2013 through the spring of 2014. The spike in September 2013 is due to the Wilmington Bypass projects, NC 24 projects, and a large design build project. There are about 24 projects with estimates greater than $20 million projected to be let in the next 12 months.

Mr. Barbour explained that 6 to 7 projects in the next 6 months may be shifted by 3 to 6 months to help with cash flow in the years 2016 and 2017. The next 12 month let list will reflect these adjustments.

2013 Projected Legislative Issues Impacting DOT

Mr. Soper noted that the Secretary sent letters to the General Assembly regarding House Bill 10, Remove Route Restrictions for NC 540 Loop. The Senate offered an amendment that would take Mid-Currituck, Garden Parkway and Cape Fear Skyway out of statute. This amendment gives the Department up to 8 turnpike projects that could be put into the prioritization process with legislative consultation 6 months advance of letting.

The Department is reviewing Senate Bill 127, Customer Service, Economic Development and Transportation. This bill creates regional offices for DOT/DENR for a one-stop shop for developers based on existing NCDOT divisions. There is push back from economic development regions and chambers of commerce regarding the proposed regions. For example, Durham and Raleigh are in one region and Chapel Hill is in another region which may present difficulties for Research Triangle Park.

Mr. Soper reported that House Bill 364, Treasurer's Debt Issuance Accountability Act, was filed yesterday which basically requires the Treasurer’s approval for capital expenditures over 5 million dollars.

The Construction-Manager-At-Risk process was discussed by committee members. Mr. Barbour reported feedback from Utah DOT indicated that this tool does not make projects faster but keeps the projects on budget. The committee discussed this potential project implementation tool with the intent to move forward with pilot projects and review the results.

The committee discussed House Bill 4, Unemployment Insurance Fund Solvency and Program Changes, which was signed by the Governor in February. CAGC members noted that seasonal labor may no longer be allowed to draw unemployment insurance if employers have a negative unemployment insurance balance. This legislation seems to require negative balance employers to pay the balance of the unemployment insurance, continue to pay their employees during down time, or fire employees to allow them to draw unemployment. Concerns were expressed regarding recruitment issues for transportation and building industries if employees can no longer maintain benefits during periods of unemployment.
NCDOT/CAGC DBE Networking Meetings

Ms. Gabriel presented information on potential program ideas regarding DBE and Prime Contractor meet-and-greets, panel discussions, and other specialized networking opportunities. She requested feedback regarding the best format for positive networking.

Davis-Bacon Wage Rate Survey

Mr. Hancock reported that the Department of Labor has yet to respond regarding survey data sent over 9 months ago. Ms. Coward has let our Representatives know that we have had an extended delay in response and expects an update in two weeks.

Rail Program Implementation

Mr. Worley provided handouts listing the latest map and schedule for the rail program. He noted that bid amounts have been higher than the estimates from the statement of work; however, the whole program is expected to be completed.

SASHTO 2013 Grove Park Inn, Asheville 8/25-8/28

Mr. Barbour reported on the SASHTO meeting agenda. Grove Park Inn is sold out on Saturday; however, there are still rooms for sponsors. The overflow hotels, the Loft or Renaissance Inn, still have space available in downtown Asheville. Visiting states have registered between 15 and 20 representatives.

2013 DBE/MBE/WBE Disparity Study

Ms. Canales reported on the ongoing DBE/MBE/WBE Disparity Study required every five years by NCGS §136-28.4. Last year, the Department hired Colette Holt, Esq. of Colette Holt & Associates to conduct the study. The first outreach meeting was held in Cary. Ms. Canales noted that industry attendance at the meeting was helpful in the discussion. There will be three focus groups which will separate DBEs from Prime Contractors. The Department will not be part of the focus group conversations. The Contractual Services Unit has been interviewed and provided information for the study; however, industry may be contacted for data regarding work done for local governments, airports, etc. The report and determinations regarding disparity will need to be completed before August 2014 when the statue is set to expire.

Ms. Canales noted a change in the work codes for painting and thermoplastic markings particularly for the marking under 1,000 feet. This change will allow smaller firms without large-scale marking equipment to bid on jobs requiring only hand tools.

I-95 Tolling Study Update

Mr. Barbour reported that the economic impact study is currently underway. The impact study conducted focus groups with truckers, shippers, and merchants. The public survey regarding tolling recently closed. Mr. Trogdon noted the initial findings indicate shipping firms tend to have more concern than the general public; larger shipping firms with business in the southeast are more concerned than the local shipping firms that stay within the state; and hotels are concerned with defection of revenue by lowered traffic counts. Next month, the focus will be on the economic impacts including salaries,
through trips versus local trips, tolling, sales tax, property tax, etc. The report is scheduled to be completed in late April.

**NCDOT Computer System Upgrade Potentials**  
Victor Barbour

Mr. Barbour noted that the Department has been using HiCams and AASHTO’s Transport system for over 15 years. The Department has advertised a Request for Information (RFI) soliciting information on database solutions for electronic bidding and project management. The RFI is set to close next week. Mr. Barbour noted that this would not immediately affect BidEx or electronic bidding and is not a purchase request.

The use of ConstructWare was mentioned, and Mr. Hancock noted that the Department is looking to move towards Sharepoint sites to share information on projects. Mr. Barbour noted that the Department is working on providing account access to business partners.

**Other**  
Various

Mr. Jenkins encouraged CAGC members to become part of NCGO. The NCGO organization advocates for the transportation industry. This organization is currently sending one postcard per week to General Assembly members. The postcards are bright orange with simple transportation facts. One of the first postcards compared the cost for coffee, bottled water and gas.

The Garden Parkway project was discussed. Mr. Trogdon noted that the Department’s final briefings will be filed in late June. The Department could present oral arguments, if needed, and the judgment could follow in 3-5 months. Mr. Rochelle will communicate with the short-listed teams regarding the project.

**Next Meeting Date**

The next meeting is scheduled for May 23, 2013 at 10:00 a.m. in the Chief Engineer's Conference Room at the NCDOT Equipment and Maintenance Facility on Beryl Road in Raleigh.
NOTE: The number on the bar chart represents the number of projects included in each category. The number of bridges affected appears in the legend. 3/13/2013
<table>
<thead>
<tr>
<th>LET DATE</th>
<th>TIP#</th>
<th>WBS#</th>
<th>FA#</th>
<th>COUNTY</th>
<th>DIV.</th>
<th>DESCRIPTION</th>
<th>LATEST PRELIMINARY ESTIMATE</th>
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<td>R-2303A</td>
<td>34416.3.3</td>
<td>CUMBERLAND</td>
<td>6</td>
<td>NC 24 FROM WEST OF SR 1006 (MAXWELL ROAD/CLINTON ROAD) IN CUMBERLAND COUNTY TO SR 1853 (JOHN NUNNEY ROAD)</td>
<td>$ 36,000,000</td>
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<td>CLEVELAND</td>
<td>12</td>
<td>US 74 (SHELBY BYPASS) FROM WEST OF SR 1162 (PEACHTREE ROAD) TO EAST OF SR 118 (KIMBERL ROAD) IN CUMBERLAND COUNTY TO SR 1853 (JOHN NUNNEY ROAD)</td>
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<td>FAYETTEVILLE OUTLET ROAD - FROM EAST OF NC 210 (MURCHSON ROAD) TO US 401</td>
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<td>WAKE</td>
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<td>3/13/13</td>
<td>R-2413A</td>
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<td>US 17 - FROM FOUR LANES AT SR 2011 (EDGEFIELD ROAD) TO SR 2127 (BROOK BANK ROAD)</td>
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<td>US 68 CONNECTOR - US 220 FROM SR 2127 (BROOK BANK ROAD) TO HAW RIVER</td>
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<td>DURHAM - EAST END CONNECTOR FROM NC 147 (BUCK DEAN FREEWAY) TO NORTH OF NC 98</td>
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**TOTAL COST ESTIMATE PROJECTS > $20 MIL** $ 1,208,197,748

**LARGE BRIDGE PROJECTS > $10 MILLION**

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<th>TIP#</th>
<th>WBS#</th>
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**TOTAL COST ESTIMATE LARGE BRIDGE PROJECTS > 10 MIL** $ 217,000,000

**90 - BRIDGES AFFECTED BY 77 TIP BRIDGE PROJECTS**

**115 - BRIDGES AFFECTED BY 13 (17BP, BK, BP) BRIDGE PRESERVATION PROJECTS**

**135 - BRIDGES AFFECTED BY 2 DIVISION EXPRESS DB PROJECTS**

12 MONTH TOTAL FOR MAY 2013 - APRIL 2014 = $ 2,132,285,116
<table>
<thead>
<tr>
<th>Project Description</th>
<th>Original Estimate</th>
<th>Actual Cost</th>
<th>% Variance</th>
<th>Contract Manager</th>
<th>Contract Completion Date</th>
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<td>A-1</td>
<td>P-1628</td>
<td>Double Track from Kinston to New Bern</td>
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<td>TTB</td>
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**Active Projects – Estimated Construction Costs**

* Dollar amount is estimated project bid total and includes both NCDOT & NS/CSXT projects.

- **$44M**
  4901A-Bowers to Lake Double Track (G,SX)
  C-4901B-Upper Lake Rd. (HGS)
  C-4901C-Turner Rd. (HGS)

- **$3.4M**
  I-2304AE-Duke Curve (G)

- **$10.6M**
  (Contracts Awarded)
  3459-Klumac Rd. (RGS)

- **$4.6M**
  P-5204-McLeansville Rd. (HGS)

- **$12.3M**
  P-5205-Graham to Haw River Passing Siding and Curve Realignment (G,H)

- **$16.0M**
  P-5201-Morrisville Parkway (G,RGS,H)

- **$2.4M**
  (Contract Awarded)
  U-4716A-Hopson Rd. (RGS)
  U-4716B-Church Street Extension (H)
  U-4716C-Nelson-Clegg Passing Siding (G)

- **$60M**
  P-5206A-Peeler Rd. (HGS)
  P-5206B,C,D-Reid to N. Kannapolis Double Track (G,RGS,H)

- **$101.5M**
  P-5208A,C,G-Haydock to Junker Double Track (G,RGS,SX)
  P-5208B-Pharr Mill Rd. (HGS)
  P-5208D-Roberta Rd. (HGS)
  P-5208E-Caldwell Access Rd. (H,SX)
  P-5208F-Caldwell Rd. (HGS)
  P-5208H-Grier Rd. (HGS)

- **$110.1M**
  P-5002A-Church Street (H)
  P-5002B-NC Music Factory Blvd. & Maxwell Ct. Extension (H)
  P-5002C-NS/CSX Main Line Grade Separation (G,RGS,H)

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Private Crossing Safety Initiative (PCSI) Projects totaling $1.3M will be constructed in Alamance, Cabarrus, Guilford, Orange, Rowan & Wake Counties. Projects subject to change based on the availability of funds and approval of essential environmental documents.