MEMORANDUM TO: AGC-DOT Joint Cooperative Committee Members

FROM: Rodger Rochelle, PE

SUBJECT: September 18, 2014 Minutes

The Joint Cooperative committee of the AGC – DOT met at 10:00 a.m. on September 19, 2014 in the Chief Engineer's Conference Room at the NCDOT Equipment and Maintenance Facility on Beryl Road in Raleigh with the following in attendance:

Luke Blythe       Kevin Burns       Alan Cahill       Terry Canales
Marc Clifford     Randy Garris       Tim Goodson      Ricky Greene
Ron Hancock       Adam Holcomb       Ryan Holloway    Berry Jenkins
Drew Johnson      Tracy Johnson      Daniel Keel       Mike Long
Beau Memory       Trent Rawley       Ron Shaw         Trent Sherrill
Lamar Sylvester   Burt Tasaico      Ricky Vick        Melvin Williams
Frank Winn        Paul Worley        Sam Young

AGENDA AND DISCUSSION ITEMS

Revenue Update and Federal Funding Issues

Burt Tasaico

Mr. Tasaico reported that as of the closing of the state fiscal year, revenues were 3.8% above what was forecasted. Automobile sales came in strong, but revenues from DMV fees were overestimated in the projections. This was due to the changes in the driver’s license renewal from 5 years to 8 under the age of 54 and then another change to under the age of 64 after projections were made. Mr. Tasaico is currently working on future projections taking into consideration that people are generally driving less and fuel efficiency is up on automobiles. This increase in fuel consumption is due to a high use of diesel fuel.

On the federal side, MAP-21 was extended in August to May 31, 2015.
Letting Projections

Mr. Garris provided a handout outlining the proposed Letting Projection Chart and the Let Summary Projection. From September 2014 through August 2015, $1.956 billion in projects are currently scheduled including ARRA Rail projects, Design Build, TIP and TIP Bridge Replacement. There are 3 state-funded Bridge Preservation projects that have been removed from the tentative 12-month list that are being re-scoped.

Mr. Garris reviewed the 20 projects greater than $20 million in the tentative 12-month let list including three Design-Build roadway projects. These projects alone account for $1.390 billion. In the same 12 months, there are currently four bridge projects greater than $10 million including one Design Build. These four projects have an estimated cost of $236 million.

The committee discussed the possibility of moving some of the projects around mainly focusing on the October 2014 let that has two very large projects.

Moving North Carolina Video for UNC-TV

Mr. Jenkins noted that on Thursday, September 25th at 10:00 p.m., UNC-TV will be broadcasting a documentary on how transportation has shaped our lives over the last hundreds of years.

AASHTO Annual Meeting

Mr. Jenkins noted that NCDOT is hosting the annual meeting in Charlotte from November 20 – 24, 2014. Sponsorships are available.

Rail Program Updates

Mr. Worley provided handouts listing the latest map and schedule for the rail program, as well as project pictures. The report noted that the ARRA funds spent to date (effective August 31, 2014) were at $172,825,352. All projects are underway with the exception of three.

Mr. Jenkins mentioned that the Design-Build sub group is looking at relationship building with the railroads in NC. A small group of AGC representatives will discuss the issues with ACEC representatives to identify common concerns and then take them to the rail roads through Mr. Scott Sailor. Mr. Jenkins hopes to have this meeting in October.

DOT Legislative Agenda Update for 2015

Mr. Weatherly noted that NCDOT is working on items for the upcoming legislative session and would welcome any ideas that need legislative authority or action during this long session. One topic mentioned was the flattening of the lettings throughout the year.
Self-Performance of Contract Items by Prime Contractor

Ricky Vick

Mr. Vick noted that some primes may be circumventing the intent of the standard specifications by buying the materials for their subcontractors in an effort to meet the percentage that must be performed by the prime’s organization. Mr. Vick requested revisiting the specification language. Mr. Hancock noted that the specification reads, “Neither the Contractor, nor any subcontractor, shall enter into any written or oral equipment lease or rental agreement, materials purchase agreement or labor agreement that circumvents this article.” The intent of this sentence was to prevent the buying of materials and counting it towards the percentage. Mr. Hancock said that he would revisit the wording and work with the AGC.

Legislative Concerns about Bid Shopping

Berry Jenkins

Mr. Jenkins noted that there is a trend in the size of the projects that are currently being put out by NCDOT that is creating a climate of players that don’t operate in the same ethical climate as those that typically do business in North Carolina. Specifically he noted bid shopping and that the money is not staying in North Carolina. Most of this is being seen in larger projects where there are low bids and “out of town” firms are bidding. Mr. Jenkins asked the committee for thoughts on how to minimize bid shopping and create an ethical way to operate. Bid shopping is having a major impact on small businesses.

Beau Memory was present to note his concerns with bid shopping and is open to any ideas or suggestions that may or may not need legislative action.

OJT Training Program Changes

Melvin Williams

Mr. Williams spoke that the OJT program is looking at an academy concept to get people ready for the industry and create a pool for contractors to choose from. The academy will introduce women, minorities and disadvantaged individuals to the transportation construction industry (e.g. diesel engine repair). NCDOT has partnered with local community colleges for this concept and plan to open nine academies by next year.

DBE/MBE/WBE Disparity Study Implementation

Trent Rawley

Mr. Rawley passed out a 2014 NCDOT Disparity Study Recommendations Briefing that outlines the implementation of the study recommendations.

Other Items

Mr. Marc Clifford presented a Powerpoint handout and spoke on the Construction Contract Team Sites that are being developed through SharePoint. The sites are currently limited to NCDOT employees, with a plan to extend access to prime contractors in the spring of 2015 under a pilot. Each prime contractor will have an Administrator who will have the ability to determine who will have access to the site and what they will have access to on the site.
Mr. Clifford spoke on getting together a small AGC Technical group to work with NCDOT on who should have access to the sites and how to handle design build and PPP contracts.

Next Meeting Date

The next meeting is scheduled for November 20, 2014 at 10:00 a.m. in the Chief Engineer’s Conference Room at the NCDOT Equipment and Maintenance Facility on Beryl Road in Raleigh.
<table>
<thead>
<tr>
<th>Project #</th>
<th>Project Name</th>
<th>Start Date</th>
<th>End Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Wilkes</td>
<td>1/1/2021</td>
<td>12/31/2021</td>
<td>New road construction on Wilkes Road.</td>
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<tr>
<td>5</td>
<td>Dura-Mix</td>
<td>1/1/2022</td>
<td>12/31/2022</td>
<td>Widening of Dura-Mix Road.</td>
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<tr>
<td>8</td>
<td>STP</td>
<td>1/1/2023</td>
<td>12/31/2023</td>
<td>Upgrading of STP.</td>
</tr>
<tr>
<td>6.1</td>
<td>Queen City</td>
<td>1/1/2024</td>
<td>12/31/2024</td>
<td>New pedestrian pathways in Queen City.</td>
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<tr>
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<td>Guilford</td>
<td>1/1/2025</td>
<td>12/31/2025</td>
<td>Improvement of Guilford Road.</td>
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<tr>
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<td>Pittsfield</td>
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<td>12/31/2026</td>
<td>Road improvement in Pittsfield.</td>
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<tr>
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<tr>
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</table>

**Major Projects > $20 Million Scheduled for September 2014 to August 2015**
### 72 Month Totals For September 2014 To August 2015 $1,956,613,760

**7 - Bridges Affected By 3 BP BK BP Bridge Preservation Projects**

<table>
<thead>
<tr>
<th>Project</th>
<th>Contract</th>
<th>Start Date</th>
<th>End Date</th>
<th>County</th>
<th>Description</th>
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<td>120700000</td>
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<tr>
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<td>C202556</td>
<td>8/22/15</td>
<td>8/22/17</td>
<td>CARTERET</td>
<td>Replace Bridge 66-68 Over the Norfolk Southern Railroad at US 252 and NC 88</td>
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### 25 - Bridges Affected By 4 Tip Bridge Projects

<table>
<thead>
<tr>
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### Bridge Projects > 50 Million

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### Major Projects > 20 Million

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Moving North Carolina, a new public television documentary, is the story of transportation in our state from ancient foot trails to modern superhighways. But far more than a tale of vessels and vehicles, roadways and rails, it is the very human story of how transportation shaped who we are, where we came from, how we got here, and why we live where we do. It is the story of men and women who envisioned a better way of life and led the way in making the vision a reality. It is the story of how we evolved over hundreds of years from a spattering of isolated, self-sufficient farms and small towns into this one special place we call North Carolina.

Moving North Carolina is by, for, and about our state: Created by long-time North Carolina video producer Michael Sheehan, hosted by Tar Heel author, musician and raconteur Bland Simpson, and with original, eclectic music by Jack Herrick of the Red Clay Ramblers.
South End Main Line Forum meeting held September 25th at Salisbury Depot

The NCDOT Rail Division held a forum at the Train Depot in Salisbury to update local governments, legislators and business leaders about the Piedmont Improvement Program projects from Salisbury to Charlotte. Meeting included welcoming remarks from Mayor Pro Tem Maggie Blackwell and NCDOT Board member Jake Alexander. Rail Division staff provided updates on the status of current projects and fielded questions about PIP activities.
User Account Administration for NCDOT Partners

Marc Clifford, PE
NCDOT Information Technology, Engineering Application Services

September 18, 2014

Construction Contract Team Sites

- DOT is creating SharePoint Team Sites for each new construction contract
- Team Sites are web sites that provide a controlled area for project collaboration
- Currently, access is limited to DOT employees
- We plan to extend access to prime contractors to awarded contract sites in the spring of 2015.
Phase 1 – Delegated User Administration by Company

- Each firm will have the ability to administer its own employee accounts
- Each firm will assign each employee one or more business roles (or none)
- Business roles will control access to all construction contract team sites that have been awarded to your firm.

Phase 2 – Extend Access to Subcontractors

- Each Subcontractor will have the ability to administer its own employee accounts very much like prime contractors
- Subcontractors will likely have a different level of access than prime contractors.
- Subcontractors will only see contracts on which they are a designated sub on an awarded contract.
Phase 3 – Expand Design Build Contract Collaboration

• Will likely expand to include design submittals, etc.
• Potential concerns about access control by company rather than access control by project.
108-6 SUBLETTING OF CONTRACT

The Contractor shall not sublet, sell, transfer, assign, or otherwise dispose of the contract or any portion thereof; or of his right, title, or interest therein; without written consent of the Engineer. All requests to sublet work shall be submitted within 30 days of the date of availability or prior to expiration of 20% of the contract time, whichever date is later, unless otherwise approved by the Engineer. In case such consent is given, the sublet work shall be performed by the subcontractor unless otherwise approved in writing by the Engineer. Failure of the Contractor to comply with these Specifications will be just cause for the work to be considered unauthorized in accordance with Article 105-12. A firm that has been disqualified due to its failure to maintain satisfactory progress under the requirements of Article 108-8 will not be approved as a subcontractor until the firm demonstrates the ability to perform the work in a satisfactory manner. When directed by the Engineer, the Contractor shall submit a certified copy of the actual subcontract agreement executed between the Contractor and subcontractor prior to written consent being issued by the Engineer. In case such consent is given, the Contractor will be permitted to sublet a portion thereof, but shall perform with his own organization, work amounting to not less than 40 percent of the total original contract amount, except:

(A) Any items designated in the contract as specialty items may be performed by subcontract and the cost of any such special items so performed by subcontract will be deducted from the total amount bid before computing the amount of work required to be performed by the Contractor with his own organization, and

(B) Any other items sublet to Disadvantaged Business Enterprise (DBE), Minority Business (MB) or Women's Business (WB), up to the value of the contract DBE, MB or WB goal, will be deducted from the total amount bid before computing the amount of work required to be performed by the Contractor with his own organization.

In any event, the Contractor shall perform with his own organization work amounting to not less than 35% of the difference between the total amount bid and the value of specialty items that have been sublet. Purchasing materials for subcontractors is not included in the percentage of work required to be performed by the contractor. If the contractor sublets items of work but elects to purchase material for the subcontractor, the value of the material purchased will be included in the total dollar amount considered to have been sublet.

Notwithstanding the 35% requirement above, the Contractor shall perform all of the work associated with at least one identified major contract item, except for subcontract hauling of materials.

Extra work performed in accordance with Article 104-7 will not be considered in the computation of work required to be performed by the Contractor.

An assignment by operations of law or assignment for the benefit of creditors, or the bankruptcy of the Contractor, shall not vest any right in this contract in the Trustee in
bankruptcy, the Contractor's creditors, or the agent of the creditors.

A subcontractor shall not sublet, sell, transfer, assign, or otherwise dispose of his contract with a contractor or any portion thereof; or of his right, title, or interest therein; without written consent of the Engineer. When directed by the Engineer, the contractor shall submit a certified copy of the actual subcontract agreement executed between the subcontractor and the second tier subcontractor. In the event of an assignment by operations of law or the bankruptcy of the subcontractor, the contractor shall have the right, power, and authority, in its discretion, without violating the contract or releasing the Surety, to terminate the subcontract. An assignment by operations of law or assignment for the benefit of creditors or the bankruptcy of the subcontractor shall not vest any right in this contract in the Trustee in bankruptcy, nor the subcontractor's creditors or agents of the creditors.

Neither the Contractor, nor any subcontractor, shall enter into any written or oral equipment lease or rental agreement, materials purchase agreement, and/or labor agreement that circumvents the requirements of this article.

If the Contractor or a subcontractor enter into a lease or rental agreement for equipment based upon payment for a unit of work, such agreement will be considered subletting of the contract unless the lease or rental agreement is with a commercial equipment company, manufacturer, and/or commercial leasing agency and such firm has been approved by the Engineer. An equipment lease or rental agreement that is based upon unit prices per unit of time will not be considered subletting of the contract.

The approval of any subcontract will not release the Contractor of his liability under the contract and bonds, nor will the subcontractor or the second tier subcontractor have any claim against the Department by reason of the approval of the subcontract. The State Highway Administrator will review and consider subcontractor claims for additional time or compensation provided such claims are submitted by the contractor in accordance with Article 107-25 and General Statute 136-29.

Failure of the Contractor to comply with any of the requirements of this article may be justification for disqualifying the Contractor from further bidding in accordance with the requirements of Article 102-16.
North Carolina
Department of Transportation
Office of Equal Opportunity & Workforce Services

2014 NCDOT Disparity Study
Recommendations Briefing

*Report from follow up from meeting #1 (August 15, 2014)

September 12, 2014

2014 NCDOT Disparity Study Committee Recommendations
Green – YES, indicates work being done or will be done by BOWD Unit
Purple – YES, work has to be done with assistance from other NCDOT Units
Red – NO Recommendations

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8. Melvin Williams, On-The-Job Training (OJT)  
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9. Direct Office Phone: (919) 508-1808 Fax: (919) 508-1814
Implementation of 2014 NCDOT Disparity Study Recommendations

A. Augment Race & Gender-Neutral Measures:

1. Increase communication & outreach – YES, committee in agreement with activities that are being done in the BOWD Unit – see 2014/15 work plan attached, approved (August 25, 2014) by Federal Highway Administration (FHWA).

2. Increase contract unbundling – YES, committee suggested to unbundle centrally let projects and move more of them to the division offices (SBE).

*This action would have to be done with the assistance of NCDOT Chief Engineer and the Contractual Services Division

3. Review NCDOT’s bonding & experience requirements & bidding procedures – NO recommendation, committee did not seem to have confidence in the USDOT/NCDOT bonding program.

4. Adopt “quick pay” policies – NO recommendation, we have prompt pay – which pays contractors and/or subcontractors 7 -10 days.

5. Ensure non-discrimination & fairly priced subcontractor quotes – YES, the Monitoring and Reporting Unit has the authority to monitor sub-contractor quotes – BOWD Unit.

6. Enhance supportive services - YES, committee in agreement to the activities that are being done in the BOWD Unit - see 2014/15 work plan attached.

The EOWS Office of BOWD and CU are planning to visit all 14 NCDOT Divisions to provide training and supportive services to NCDOT Employees, Primes and DBE Firms.

7. Provide training to bidders on program compliance – YES, this is in the plan for BOWD and the Certification and Utilization Unit – see answer #6 above.

Training for DBEs: will consist of how to do business with NCDOT, Certifications, Prequalification, Goal Setting, DBE Compliance, Contractor Compliance, Business Development, and Technical Assistance.

B. Expand the Small Business Program to encourage MWBE Prime Contractor participation:

1. Raise the firm size limit – NO recommendation, committee seemed fine with the current limit, raising it would attract larger businesses.

2. Include multi-scope projects – YES, committee would like to see multi-scope projects.

*This action would have to be done with the assistance of NCDOT Chief Engineer and the Contractual Services Division

3. Implement a bonding & financing program – YES, committee recommended to use any other program than that of the USDOT/NCDOT – too many restrictions, BOWD Unit is working to identify other bonding and financing programs.

4. Expand the Small Professional Services Firm program to include a target market similar to the SB program – NO recommendation, committee seemed to be fine with the way that the SPSF Program is set up.
5. Consider adopting a NCDOT Mentor-Protégé Program – YES, select a program that has “teeth”, measurements – BOWD Unit is working to identify a program that will work with our DBEs/WBEs & MBEs.

6. Appoint an industry committee for the programs – YES, many of the committee members present agreed to be on the industry committee.

7. Implement an internal electronic data collection & monitoring system – YES, we have the capability in place, this action will performed by the Office of EOWS Reports and Monitoring Unit.

8. Increase NCDOT’s oversight of sub recipients – YES, the Office of EOWS is working the BOWD and Title VI Units to provide oversight of sub recipients.

C. Continue Race & Gender-Conscious Elements

1. Reauthorize the State M/WBE program to include all Racial Groups & White Women in the State Program - YES, BOWD Unit (UCP) has implemented – August 2014 (Asian & American Indian).

3. Use the study to set the DBE & M/WBE annual goals – YES, Goals are set by the Certification and Utilization Unit in the Office of EOWS.

4. Use the study to set DBE & M/WBE contract goals - YES, Goals are set by the Certification and Utilization Unit in the Office of EOWS.

D. Develop NCDOT Performance Measures

1. Reduce number of good faith efforts requests & waivers granted - YES, the BOWD Unit is working identifying those DBE/WBE & MBE firms who are ready, willing and able to work, and providing assistance where needed.

2. Reduce rates of subcontractor substitutions - YES, the BOWD Unit is working on events and outreachs to aid DBE/WBE & MBE firms with contract compliance and understanding. In addition, we are helping DBE/WBE & MBE firms to understand general business practices.

3. Growth in the number, size & scopes of work of M/WBEs - YES, the BOWD Unit will be tracking these measures of growth, we are working with the North Carolina State University to establish the firms baseline and through the assessment process. Once we can determine where the firms are (capacity) we can assist in their growth process.