NCDOT/CAGC Joint Cooperative Committee Agenda

Chief Engineer’s Conference Room
March 23, 2017

Agenda Items:

1) Financial Update    David Tyeryar
2) Secretary Update (phone in at 10:30 am) Secretary Trogdon
3) Legislative Update  Joy Hicks
4) Rail Update         Paul Worley
5) Central Letting Projections Ron Davenport
6) Contract Advertisements Rodger Rochelle
7) Division Projects Use of Bid Express Ron Hancock
8) Administrative Code Change Terry Canales
9) OJT Sign Up in DOT Data System Kevin Burns
10) Workforce Development Berry Jenkins
MEMORANDUM TO: AGC-DOT Joint Cooperative Committee Members

FROM: Rodger Rochelle, PE

SUBJECT: March 23, 2017 Minutes

The Joint Cooperative committee of the AGC – DOT met at 10:00 a.m. on March 23, 2017 in the Chief Engineer’s Conference Room at the NCDOT Equipment and Maintenance Facility on Beryl Road in Raleigh.

AGENDA AND DISCUSSION ITEMS

Financial Update

Mr. Tyeryar stated that the Department will be pushing out more product and plans to sustain this higher level. He is looking at how to finance at this higher level and just sold bonds to serve this purpose.

Revenues exceed the forecast and expenditures were less than predicted. The Use Tax is ahead of projection growth and the economy is strong in North Carolina and will continue to be so.

The last 7 months have shown 77% of the expenditures going to the private sector. The Federal budget saw 13% reduction in transportation spending, but this did not impact highway and bridge projects.

A question was raised about the MAP Act by industry. Mr. Tyeryar stated that there is approximate $1 billion of ROW needed for the MAP Act. The Department is looking at
appraisals and most of the ROW (with the exception of around $180 million) was already built into the Department’s 10-year plan.

**Secretary Update**  
*Jim Trogdon (via Phone)*

Secretary Trogdon stated that the number one priority of the Department in the next 4 to 12 months is project delivery. The Department has a significant cash balance of around $2.1 billion which resulted in the Transportation Bond net getting any traction last year. The Department is currently looking to see what projects it can pull forward to spend down this balance and move from an average of $200 million per month in lettings to $300 or a little higher in the first 12 months. The Department is looking to sustain this $300 million per month letting through an innovative financing proposal in the General Assembly that hopes to bring in approximate $1 billion extra per year for the next five years.

The outcome of this innovative financing is twofold in that firms can 1) build their companies knowing that they can sustain them for a long period; and 2) reduce dependence on the federal program because the Department is not seeing any traction on the FAST Act funding remaining level.

The Department is also looking at where the financial resources will be in the future to reduce dependency on motor fuel tax as more cars are going electric and are less dependent on fuel.

Secretary Trogdon stated that the next few months will be critical in the General Assembly. The Department is open to any ideas how to be more efficient on cash expenditures and project acceleration on projects planned and currently under construction.

Mr. Jenkins asked about the 485 project. Secretary Trogdon stated that on the I-77 project that they are working with advisors from other states on P3 and lessons learned on such items as interacting with the public and partnering with local governments on this type of project. The Department plans to use this information and apply it to the 485 project. The plan is in about 45 to 60 days to have strategies on how to move forward on these projects. Secretary Trogdon also mentioned that the I-95 tolling pilot was surrendered back in November and is currently dead. In the future they may look at I-95 again but it will not be at the same level.

**Legislative Update**  
*Joy Hicks*

Mr. Jenkins introduced the new Legislative Liaison to NCDOT, Ms. Joy Hicks, to the AGC membership in the meeting and stated her background. Ms. Hicks stated that she is looking forward to working together with the AGC.
Rail Update

Mr. Worley stated that the PIP projects should be completed by June. The Charlotte locomotive and maintenance facility is the only one that will extend beyond the deadline but the City of Charlotte is covering that.

Raleigh station is on schedule and looking at a 2018 completion. Pembroke is going well and they are looking to have an advertisement in July 2017 on the grading.

The Charlotte Gateway Station is looking at two phases. Phase I will be the track work, structures and grading, and phase II will be the building for passengers. The Rail Division hopes to let phase I in early 2018 with an anticipated start of construction in April 2018.

There are projects going into the draft TIP from the Rail Division and they will know what projects have been approved to move forward after July 1. Looking at accelerating projects due to the cash balances. One of the projects is the CCX (Carolina Connector) project mentioned in the last meeting. Looking to have an advertisement in second or third quarter of 2017.

Central Letting Projections (handout)  

Ron Davenport

Mr. Davenport provided a handout outlining the proposed Letting Projection Chart and the Let Summary Projections for the next 12 and 24 months (April 2017 through March 2018). In the next 12 months, $2.078 billion in projects are currently scheduled including Design Build, TIP and TIP Bridge Replacement. The 24 month list reflected $3.806 billion. Mr. Davenport stated that these projections do not include Division Let contracts or any yet to be scheduled projects to spend down the cash balance.

Industry asked if there were any updated projections on the Division Let list. Mr. Hancock stated that he will try to get the information for the next meeting. Mr. Holder mentioned that they are trying to get a Division Let List posted on the web like we have for the Central Let.

Mr. Holder stated that the Department is looking at the 10 year STIP to see what projects can be accelerated as well as looking at different letting initiatives to advertise the projects (i.e. ROW parallel to the design).

Industry asked the question if the Fayetteville Outer Loop was now a combined project. Mr. Rochelle confirmed that U-2519 AA and AB is now one project.

Mr. Holder mentioned that in addition to the capital side, they are looking at the Highway Fund side for $60 million in resurfacing projects as well as interstate maintenance (IM) work including bridges to around $40 million.
Mr. Holder mentioned that the Department is educating members of the General Assembly on managed lanes and tolling. A tolling policy is being looked at in NC for the future so these facilities are consistent across the state.

**Contract Advertisements**

Rodger Rochelle

Mr. Rochelle stated that the Department is looking at how to reduce the administrative burden and asked if eliminating project advertisements in the newspaper would cause any issues. Response from Industry was that it would not, but the NCAC would need to be revised (Advertisement and Invitations for Bids: 19A NCAC 02D.0803 (a)).

**Division Projects Use of Bid Express**

Ron Hancock

Mr. Hancock stated that 109 firms have obtained a digital ID to bid on Division Let projects. We thought that this was a good point to start requiring the use of electronic bidding in the divisions, but unfortunately, of the over 400 POC Primes in our system, only 15 have a digital ID. The rest of the 109 firms that have a Division digital ID are our Central Let bidders who are used to bidding electronically. This shows that there is a gap that the Department needs to address through outreach in order to eventually move fully to electronic bidding. Mr. Hancock stated that they were looking at summer time to make this move, but now it is looking like more at the beginning of 2018.

Mr. Hancock stated that they are looking into how many PO Primes are actively bidding on Division Let contracts.

Industry stated that they are in support of a set date to move forward with electronic bidding with notification to the POCs.

**Administrative Code Change**

Terry Canales

Ms. Canales stated that before Mr. Garris retired, they were working on removing the notary seal on the Non-Collusion Affidavit so the Non-Collusion/Debarment/Gift Ban Certification can be electronically sent in with all the other contract documents. Ms. Canales stated that all State and Federal regulations were looked into and there is no requirement that the Non-Collusion must be a notarized affidavit. A public hearing is set for the afternoon of the 23rd at 2:00 pm.

**OJT Sign Up in DOT Data System**

Kevin Burns

Mr. Burns stated that his company was having difficulties with NCID and getting into the OJT system, and discovered that if you do not use the NCID system within 90 days that you get kicked out.

Mr. Marc Clifford from IT stated that the team sites, that just went active to industry in January, and the OJT system are separate as well as NCID. There is currently a team site built for every project. Mr. Clifford stated that they are trying to expose appropriate parts of these sites to the contractors. A soft notification went out to the contractors through the Prequalification web site as well as the award letters. They are trying to work out the bugs before an official roll out.
Mr. Clifford described that the concept for managing who has access to the team sites in a company was that a designated person per company would be the one to grant access or remove it and not have to go through NCDOT. This is different than the Design Build process since DB projects are on a project by project basis, and team sites are on a company basis.

Industry mentioned that the topic of the team sites needs to be brought up in pre-construction meetings and how the RE wants to use these sites for submittals, etc. Ms. Tracy Johnson mentioned that the team sites have a submittal library for the contractors to send the RE and DOT units requests for approval submissions. The prime contractor can also set up for notification to specific folder updates.

Mr. Clifford stated that IT will work with the Construction Unit and Mr. Sylvester on the use of the team sites and will work on NCID support. Currently, subcontractors will not have access to the team sites, just the prime contractor.

Mr. Melvin Williams from OJT stated that their electronic system, even though separate from the team sites, was at the request of industry to minimize the paper burden. The plan is for contractors to report every month on their trainees through the system.

**Workforce Development**

*Berry Jenkins*

Mr. Jenkins stated that there is a need to re-examine how industry and the Department operates with CEI firms. A meeting was held with NCDOT, AGC, ACEC, CAPA and some CEI firms to discuss CEI usage. Industry believes that the Department needs to be willing to take a risk on CEI to do the projected program and list out what is expected of the CEI personnel. Protocols for CEI are needed so the firms know what is needed for areas like resolution procedures so the project does not get held up.

Mr. Holder mentioned that the Department has a quarterly meeting with ACEC and CEI is typically a topic. He has addressed industry concerns on items such as safety, but expectations does need to be discussed.

Mr. Sylvester stated that the Construction Unit just finished up a round of workshops for internal personnel to the Department and also invited all CEI firms whether they had a project or not.

Mr. Jenkins questioned if the CEI firms had the same sense of urgency to get the project done and Department personnel.

Mr. Holder asked Mr. Sylvester to get the industries together on how to address the concerns.
Other

Spec Book Update:
Industry asked the status of the 2018 spec book. Ms. Canales stated that all of the spec book divisions have gone out for industry review with the exception of Div 6 (Asphalt). The industry comments are currently being reviewed and we hope to have the spec book live on the web in May/June.

Ms. Canales also mentioned that the spec book will take on a little different web face as the book will be updated every quarter on the web. Changes to the book each quarter will be highlighted and the old books will be present. A date will be shown on each proposal as to what spec book revision applies.

Next Meeting Date
The next meeting is scheduled for May 18, 2017 at 10:00 a.m. in the Chief Engineer’s Conference Room at the NCDOT Equipment and Maintenance Facility on Beryl Road in Raleigh.
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12 Month Projections from April 2017 thru March 2018 based on Dollar Values.
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Additional 12 Month Projections: April 2018 thru March 2019 based on number of projects.
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