



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

ROY COOPER
GOVERNOR

J. ERIC BOYETTE
SECRETARY

August 19, 2021

MEMO TO: Adam Tipton, B.J. Lanier, Brandon Hill, Brian Webb, Bruce Hazle, Christopher Conerly, Dave Tolley, Brian Evans, Glenn Pratt, Greg Tucker, Chas Hummel, Ian Scott, Jeff Allen, Jeff Saunders, Josh Campbell, Justin Hill, Kerry Kennedy, Kevin Thomas, Mark Nye, Michael Alford, Randy Garris, Aaron Evans, Shannon Douglas, Kerry Kennedy, Ron Davenport, Boyd Tharrington, Wiley Jones, Brian Skeens, Michelle Gaddy, John Pilipchuk, David Harris, Todd Whittington, Chris Martin, Steve Primm, Victor Barbour

FROM: R.E. Davenport, Jr., PE
State Contract Officer

SUBJECT: DOT-AGC Roadway Subcommittee Meeting Minutes August 19, 2021

The AGC Roadway Subcommittee met virtually on August 19, 2021, at 10:00 am. The following are items were discussed:

ID/IQ (NCDOT)

Mr. Matt Clarke and Ms. Terry Canales gave an overview of ID/IQ Contracts that the Department may be administering after federal highway approval. ID / IQ contracts allow indefinite quantity of services for a fixed time, such as a year. This type of contract is used to deliver small projects and meet annual maintenance needs. There could be multiple projects wrapped under one contract. HSIP Projects or W projects with a large scope of work such as roundabouts or adding a turning lane are not included in these types of contracts. This is not to be used to procure material where NCDOT buys and places; it is to be used when the contractor purchases and places based on the Standard Specifications. These are in addition to the on-call contracts and do not replace them.

The benefits of utilizing this type of contract are to reduce administration costs and to decrease impacts to the public. The administrative costs are reduced when small individual projects are lumped together and advertised and bid as one contract. These contracts will be in place for emergency responses instead of getting approval for required repairs which in turns accelerates the response time and reduces the impacts to the public.

Solicitation and award are a little different for these contracts. These types of contracts allow for a single solicitation being awarded to one or multiple contractors based on competitive bids. The advertisement will state if it will be one award or multiple. These

contracts are multiyear, but SBE contract cannot exceed \$500,000/ year and Division awards cannot exceed \$5,000,000/year, which is set by General Statute. These contracts typically range from \$500,000 to \$1,000,000.

Ms. Canales discussed how work would be assigned if there are multiple contractors for one contract and noted that this still an ongoing internal discussion. The Department is considering assigning work to the lowest overall contract bidder and they have the first right of refusal, or if the lowest line-item bidder shall be awarded. The lowest bidder will have the right of refusal and if so, it goes to the second lowest and so on. If there is multiple awards all of the contractors will be required to get a bond even if a task is not assigned. This is all based on the Standard Specification and the Department understands that this a risk to many of the contractors who are bidding. Supplemental work will not change the work assignments. The lowest bidder will be the first to be assigned the work and have the right to refuse the supplemental work.

Ms. Canales went into further detail of work assignments. The lowest bidder will need to respond in writing for acceptance and if they decline it moves to the lowest bidder. If the lowest bidder does not respond within 48 hours, it will be considered rejected. There are liquidated damages if the bid is accepted and there is failure to complete.

Price Adjustments and Contract Extension will be handled as usual. The prices can be adjusted based on CPI, fixed prices, or commodity. Commodity prices is usually used for asphalt binder and fuel adjustments. When prices are adjusted, these types of adjustment cannot be combined for the same line item. One of the biggest questions is having consistency between CPI and fixed prices for the same line items. The consistency included having the same extension for CPI and fixed prices and how CPI is calculated on one line item.

The next step is getting Division and Contractor feedback then taking it back to federal highway for approval around November timeframe.

Questions:

Bond:

- Everyone will be required to get a bond even if they do not get awarded part of the work?
 - Yes, as the team spoke to the attorney, and this will be required.
- What is the bond amount?
 - Ron stated that the amount will follow the specifications which is the contract amount the bidder submits.
- How about doing a work order level?
 - This cannot be done because then the Department cannot require a bond.

FHWA-1391 Feedback (NCDOT)

FHWA 1391 were due last week. Were there any concerns with the process? No answer.

Mr. Barbour asked if there is a training for FHWA 1391 or refresher. Mr. Edwards shared a link to a previous training video.

Height of D,E,F signs update (NCDOT)

Last meeting there was discussion about the erection height of D,E, and F signs. Signing and Delineation has updated the standard drawings clarifying the height on two or more lanes and other routes. Refer to note #2 of the Standard more information.

Monthly Payout Schedule on Division Let Contracts (AGC)

Mr. Barbour stated that a Division let project had a provision requiring the monthly payout schedule that had just a one-year duration. Mr. Davenport stated that this was originally intended for large scope projects to have a cash model. These are for projects that are \$50,000,000.00 or more and centrally let. An internal discussion will be held with the Chief's Office and then message sent to the Division contract liaison to be consistent.

Material Availability and Price Escalation (AGC)

Mr. Barbour wanted to discuss how the market is currently and make NCDOT aware of the situation. Each project is being looked at on a case-by-case basis. Biggest delay is utility materials. These materials are taking 10-12 weeks before receiving. There are only a few manufacturers for pipes and there are delays due to demand. Mr. Dave Tolley stated that there is long lead time for DIP, RCP, and for HDPE pipe they cannot get a set date. These are mostly the underground pipes. Many suppliers are not honoring pricing unless purchased within 7 days. Labor shortages for concrete deliveries or cement for soil stabilization. Erosion control fabrics such as hardware cloth freight is getting higher because on container costs.

The Resident Engineers have reached out to the Construction Unit for guidance for specific contracts. There was a discussion about not closing a road and extending time when situations allow. Discussions should be held about pushing back contract availability due to material delays to avoid issues.

If anyone sees issues with the contract time during advertisement send Mr. Davenport and email to discuss further.

Steel Price Index

Meeting will be held Aug 30 to discuss about potentially adding a steel price index on future projects. It is a good variety of group of folks to give input. If the AGC has any ideas, please let Mr. Barbour know. There are different ways to add an index and can affect multiple line items in a contract. Mr. Tharrington discussed how Virginia does their price index and the other ones that can be used. The actual steel would have to be tracked to determine where it was produced and what project it ended up on. This sounds very complicated, but NCDOT is willing to put an effort if the work group decides to move forward.

ORD Update

Open Road Designer

Mr. Garland provided an updated-on ORD. There was a whole week in mid-July where the NC local user group presented their progress, and how they are learning the tools. Half of the group is good, but many still need work. The rest of the year is slotted to test and pilot the software. Currently they are working on 2D black and white plans. They are starting to

look at the 3D model. The next item is to look at models for AMG and evaluate. In the future, NCDOT would like a few pilot projects.

Expressway Gutter Standard Drawing

Mr. Taylor inquired why the grade at the bottom of the expressway is different than the roadway grade. It is difficult to put a break in the asphalt in that width. Everyone stated that it may be as result of a rollover. It has always been filled in with extra concrete rather than leaving a gap between the bottom of the expressway and the asphalt. CCU will reach out to Mr. Joel Howerton about why there is a difference in grade.

Outreach for Jobs

Mr. Barbour stated that there is an outreach event to get more people into construction.

The next meeting is scheduled for October 21, 2021.