



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

LYNDO TIPPETT
SECRETARY

December 18, 2007

MEMORANDUM TO: AGC-DOT Joint Cooperative Committee Members
FROM: E. C. Powell, Jr., P. E.
State Construction Engineer
SUBJECT: Minutes to the Joint Committee Meeting

The Joint Cooperative Committee of the AGC-DOT met at 10:00 AM on November 29, 2007, in the Chief Engineer’s Conference Room at the NCDOT Equipment and Maintenance Facility located at Beryl Road in Raleigh.

Members and attendees present included:

- | | | | |
|------------------|---------------|-------------------|------------------|
| Debbie Barbour | Terrie Glover | Eric Miller | Jule Smith |
| Mickey Biedell | Brad Goodson | Bill Medcalf | John Sullivan |
| Kevin Burns | Berry Jenkins | Graham Moore | Lamar Sylvester |
| Allen Cahill | Don Lee | Jon Nance | Steve Varnedoe |
| Theresa Canales | Bob Lofling | Ellis Powell, Jr. | Richard Vick |
| Jack Cowsert | Michelle Long | Johanna Reese | Don Voelker |
| Queen Crittendon | Mike Long | Bill Rosser | Sherell Williams |
| Lynise DeVance | Jeff Mann | Shelton Russell | Sim Wooten, Jr. |
| Steve DeWitt | Michael McKoy | Ron Shaw | Jim Wyngaarner |
| C. A. Gardner | Art McMillan | | |

AGENDA

Project lettings.....Debbie Barbour

Ms. Debbie Barbour stated that \$1.1 Billion of conventional and Garvee Bond T.I.P. projects is scheduled to be let in calendar year 2008. Ms. Barbour also advised that the proposed lettings for calendar year 2007 may be less than \$1 Billion as a result of the let date for R-2518A (US 19) moving from December 2007 to April 2008.

MAILING ADDRESS:
NC DEPARTMENT OF TRANSPORTATION
CONSTRUCTION UNIT
1543 MAIL SERVICE CENTER
RALEIGH NC 27699-1543

TELEPHONE: 919-733-2210
FAX: 919-733-8441

WEBSITE: WWW.DOT.STATE.NC.US

LOCATION:
TRANSPORTATION BUILDING
1 SOUTH WILMINGTON STREET
RALEIGH NC

***21st Century Transportation Committee.....Susan Coward/
Johanna Reese***

Ms. Johanna Reese advised that the 21st Century Transportation Committee is a special committee appointed by the Governor, Speaker of the House, and the Senate President Pro Tempore to examine the conditions and needs of North Carolina's transportation system and make recommendations to the General Assembly. The committee has 24 members and the Chairman of the committee is Mr. Brad Wilson. The committee is divided into four (4) subcommittees: Finance, Project Prioritization, Intergovernmental, and Intermodal.

Ms. Reese stated that the Chairman of the Committee, Mr. Wilson advised there are four items he would like the Committee to accomplish: end the transfer of money from the Highway Trust Fund to the General Fund, acquire money for Gap Funding for the NC Turnpike Authority projects, address the back log of bridge construction and address major congestion in areas across the State.

The full Committee has three meetings scheduled. The meetings are December 12, 2007 in Raleigh, January 16, 2008 in Charlotte, and February 2008 in Wilmington.

Ms. Reese also advised that the Joint Legislative Transportation Oversight Committee will meet December 11, 2007 and the agenda items are NC Department of Transportation Transformation, I-40 Repair Status (budget) and Express Permitting for encroachments and driveway permits.

***McKenzie Report Implementation..... Susan Coward/
Steve Varnedoe***

Mr. Steve Varnedoe advised that the Department of Transportation has a web site containing information regarding the Transformation Management Team (TMT) and a copy of the McKenzie Report. Mr. Varnedoe advised that the TMT is a core group of 17 to 18 people with additional people joining the core group temporarily to work on specific tasks. The intent of the TMT is to propose changes in the DOT organization. The emphasis of the TMT is strategic planning and blueprinting, and to make the Department more goal oriented and ensuring what the Department does relates to its five goals. The TMT will also develop metrics to determine how the Department is performing against the goals.

The Department has implemented three pilot programs. One pilot program focuses on T.I.P. management and delivery. The program will test three different management models to decide which models work well and how the concepts can be incorporated into the organization. Another program focuses on the Bridge Program to determine how to make the bridge program the most efficient, such as standard plans and clustering bridge projects. The third pilot program is in the area of mobility along corridors, focusing on operational improvements to current facilities, such as traffic management.

The Department will update the Joint Legislative Transportation Oversight Committee the first week in December 2007.

N.C. Turnpike Authority..... Steve DeWitt

Mr. Steve DeWitt advised that the NC Turnpike Authority (NCTA) met with the contracting industry Wednesday, November 28, 2007 to discuss project provisions and concepts that are different from NCDOT. A summary of the meeting discussion as well as all the handouts distributed during the meeting will be posted on the NCTA web site. The NC Turnpike Authority will advertise two design build projects, Triangle Expressway (\$110 Million) and Western Wake Freeway (\$475 Million), Monday, December 3, 2007. Mr. DeWitt advised there would be a mandatory Pre Bid meeting scheduled for December 13, 2007. Mr. DeWitt stated that NCTA does not have Gap Funding at this time. He advised that for the Triangle Expressway project, the NCTA is trying a new model for private financing called Subordinated Debt. This concept is to obtain a private silent partner to provide the Gap Funding.

Mr. DeWitt advised that the NCTA is tentatively scheduled to advertise in January 2008 for project development for the Mid Currituck project. This advertisement is a request for a group consisting of a contractor, a designer and a financier to propose concepts for the project during the NEPA process.

BOWD Program.....Shelton Russell

Mr. Shelton Russell of the North Carolina Department of Transportation Civil Right Development Unit gave an overview of the Business Opportunity and Workforce Development (BOWD) Program. The purpose of the program is to increase the number of underutilized DBE firms that will have the skill, capacity, and business knowledge to compete for contracting opportunities in the highway industry regardless of their ownership status. The method to accomplish this goal is through the use of partnerships with the highway contracting industry, Department of Transportation, NC Institute of Minority Economic Development and the United States Department of Agriculture to provided business development training and assistance to underutilized businesses.

***DBE/MBE/WBE Program Audit.....Ellis Powell/
Theresa Canales***

Mr. Powell advised the Committee that the Construction Unit has completed reorganization and a new section has been created, the Business Development Section, which is headed by Ms. Theresa Canales. This section is responsible for Prequalification of firms, DBE/MBE/WBE program compliance, Construction Engineering and Inspection Program and maintaining construction policy (i.e. Construction Manual).

Mr. Mickey Biedell advised that the Business Development Section is the central point of contact for pre-qualification of all prime contractors, subcontractors, and private engineering firms. This section will also begin pre-qualifying firms for purchase order contracts (POC) in the near future. Mr. Biedell advised that the Department would begin online pre-qualification of firms December 1, 2007. Firms can apply for pre-qualification online using the link on the Contractual Services web site or using the following web address: <https://apps03.dot.state.nc.us/vendor/prequal>.

Mr. Biedell distributed a draft of the Department's Joint Check form. This form has been updated, incorporating comments from the contracting industry. The form will be sent to the Federal Highway Administration (FHWA) for review and comments. Mr. Biedell stated that submission of this is for notification only, the Department is not an "approving" agency. After a discussion regarding the proposed intent of the form, Mr. John Sullivan of the FHWA advised that the FHWA will review their policy and the form and provide comments to the Department.

Ms. Theresa Canales advised that Construction Unit would pre-qualify contractors for purchase order contracts. The contractors approved to perform work on purchase order contracts will be approved by the same criteria as subcontractors; therefore, POC contractors will also be approved and allowed to perform as subcontractors on centrally let contracts. Once adjustments are made to the Department's pre-qualification web application, POC contractors should be able to submit their application online.

Ms. Canales advised that revised DBE and MBE/WBE Special Provisions (SP 1G61 and SP1G67) have been included in the project special provisions beginning with the October 2007 letting. The revisions include the incorporation of the letter of intent, the RS-1D form, the DBE-IS form, use of the DBE Payment Tracking System, and the submission of an affidavit for payment reporting with monthly submittals. Mr. Ricky Vick questioned the redundancy and validity of the affidavit. Mr. Ellis Powell advised the Department would review the process.

Ms. Canales advised that the Department would begin monitoring contracts to ensure contract goals and commitments for DBE/MBE/WBE participation are being met. Ms. Canales advised that every contractor who has been awarded a federal project in the last three years, will be reviewed for DBE commitment compliance. The Construction Unit will select one of the contractor's federal projects to review. If the commitment goals are not being met the Department, through the Resident Engineer, will ask the contractor for written explanation as to why the goals are not being met. Ms. Canales also advised that in the next few months, the Department will begin sending a letter to the awarded prime contractor clarifying the commitment goals, the DBE/MBE/WBE contractors and the dollar amount of work listed in the contract.

Ms. Canales stated there would be joint training with the Contractors and the Department personnel regarding DBE/MBE/WBE issues such as payment tracking and reporting and replacement of a DBE/MBE/WBE firm. The Department is in the process of filling Division Contract Officer positions in each Division and would like to begin training once the positions are

filled. The Department anticipates beginning the joint training during the first quarter of calendar year 2008.

Certified Payrolls for Truckers.....Berry Jenkins

Mr. Berry Jenkins advised that a preconstruction conference was held and it was stated that it was a federal regulation that certified payroll was required for both haul and material delivery truckers. Mr. Jenkins wanted to know the Department's position regarding certified payroll for truckers. Mr. Powell stated there was no change in the rule, certified payroll was only required for haul truckers.

Other issues:

Final Quantities.....Berry Jenkins

Mr. Berry Jenkins advises that he has received complaints regarding the length of time taken to receive final quantities. Mr. Ellis Powell stated that the Department has established time frames for sending final quantities to the contractors. Mr. Powell also stated that if the Contractor has concerns, the first point of contact should be the Resident Engineer, then the Division Construction Engineer.

Level Three Erosion Control Certification.....Don Lee

Mr. Don Lee advised that the Erosion and Sediment Control/Stormwater (E&SC/SW) Level III A and Level III B Certification will become a requirement in the projects let effective January 1, 2008. Level III A is required of designers who submit E&SC/SW plans for Design/Build or any type of DOT funded projects under the DOT/DENR Delegated Program. Level III B is required of contractors or their representatives who submit the E&SC/SW component for Reclamation Plans under the DOT/DENR Delegated Program.

The next meeting is scheduled for January 17, 2008, at 10:00 A.M. in the Chief Engineer's Conference Room at the North Carolina Department Of Transportation Equipment and Maintenance Facility located at Beryl Road in Raleigh.

ECP:srw

- cc: Mr. Dan DeVane
Mr. W. D. Riddick
Ms. Susan Coward
Mr. W. F. Rosser, P. E.
Mr. W. S. Varnedoe, P. E.
Ms. D. M. Barbour, P. E.

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Mr. J. G. Nance, P. E.
Mr. L. D. Love, P. E.
Mr. C. L. Jones, P. E.
Mr. J. V. Barbour, P. E.
Mr. Art McMillan, P. E.
Mr. R. A. Hancock, P. E.
Ms. T. A. Canales, P. E.
Mr. J. E. Cowsert, P. E.
Ms. M. G. Long, P. E.
Mr. M. L. Sylvester, P. E.
Ms. S. R. Williams
Mr. D. G. Lee, P. E.
Ms. Queen Crittendon
Mr. Shelton Russell
Ms. Terrie Glover
Mr. Michael McKoy
Mr. M. J. Biedell, P. E.
Mr. John Sullivan, P. E.
Ms. Lynise DeVance
Mr. Don Voelker
Ms. Linda Lanier
Mr. B. G. Jenkins, Jr., P. E.
Mr. S. D. DeWitt. P. E.
Mr. C. A. Gardner. P. E.