Supplier Subcommittee Meeting

April 30, 2009

Minutes

Attendees:

Scott Fant, Sloan Construction Co., Inc.. Matt Jolliff, Hanson Aggregates Chris Broderick, CMC - Rebar Eddie Deaver, Holcim (US) Inc. Jason Thompson, SCDOT Andy Johnson, SCDOT Mike Koon, SCDOT Cliff Selkinghaus, SCDOT Milt Fletcher, SCDOT Merrill Zwanka, SCDOT Aly Hussein, SCDOT Sammy Hendrix, Carolinas AGC

The meeting was called to order by Milt Fletcher with introductions.

New Business

Committee members update on industry

DuBose Tuller and Scott Capps were not present to give a report.

<u>Chris Broderick</u> reported the bottom has fallen on steel pricing. It is down 50% with no foreseeable increase. The demand is down and backlogs are at an all time low. Material is available. More concrete projects are needed.

<u>Eddie Deaver</u> reported a price increase on cement this year industry wide. Now back to 2008 prices for the remainder of 2009.

The EPA emission limits on mercury are still a concern. Most plants are not set up to meet the requirements. If changes are needed to the plants to meet these requirements, it will be passed on in an increased price of cement. Florida has a cap on emissions now and we see it moving forward.

Cement is available. Imports are down to an all time low. We have shut down two plants and mothballed two others. The cost to operate a plant is the same whatever amount of cement is run. We think the closing of these plants will create a short in 2012.

Eddie added that mixes will keep the cost competitive and has given this information to DOT to review.

<u>Matt Jolliff</u> reported the supply of aggregate is no problem. Prices are stable and should stay that way. Some plants are being mothballed industry wide. Most are at 60 - 70% capacity. There is very little private work, but some State work. We have the aggregate available to handle the upcoming stimulus projects.

<u>Scott Fant</u> reported on the asphalt industry. The price increased when more work became available. There are no new refineries, but others are being upgraded. There may be a shortage due to volumes being down.

Venezuela does influence the market because crude for the Southeast come from them. That is a volatile area so we never know what effect that will have on the price. With 48 states receiving stimulus money and work being let at the same time, this could create some shortages also.

Eddie Deaver added reports say oil will be up to \$64 a barrel in 2009 and \$127 a barrel projected for 2013. This will affect the price of asphalt.

Mechanical Couplers for Reinforcing Steel

Aly Hussein and Chris Broderick have discussed this issue. Aly shared a policy for Chris to review and provide feedback.

Issues are the ultimate strength (specified and actual strength) and concerns about design. Mike Koon stated that industry would like to go with specified strength instead of actual strength. Chris added that when testing based on specified strength, the supplier always knows what value to target and no control bar is necessary. When testing based on actual strength, you take the control bar, and its strength could be much more than the minimum specified and that this pushes up the minimum strength requirement of the mechanical splice. We need to clarify so we are doing the same thing with mechanical and welded couplers. The designers want to design off specified strength and test on actual strength. Two different types of splices should be treated the same.

Suggestion is to pick a strength for the weld to meet (based on the specified strength of the steel). Good bars fail because of the formula.

Milt Fletcher recommends that a sub group of Aly, Mike, Chris, Jason and a bridge contractor meet with Barry and Lucero in the Departments Design Support section to talk about this and see what direction we need to go. Chris suggests a supplemental spec be sent after a decision is made.

RAP Specifications

Cliff Selkinghaus provided a handout on the draft for the proposed specification for non fractionated and fractionated RAP. These will probably be in the June letting. Increases are 5 to 20%.

Lab Procedures or Changes

There were no lab procedures or changes.

Other Business

Sammy asked Merrill Zwanka about the certification program for QPL 60 and an implementation date of January, 2009. Merrill answered it is now scheduled for January, 2010 to accommodate inspection schedules.

Matt Jolliff mentioned aggregate spec for drill shaft where number 7 was used. This is not normally made and the plant has to be changed over to meet the spec. The 789 would work as good. Jason Thompson says 789 is being used on a Pee Dee Bridge and is working.

Next Meeting

We will schedule meeting August/September timeframe after the subcommittee meets.

The meeting was adjourned.