

SCDOT/CAGC Joint Committee Meeting
Minutes

January 29, 2009

Attendees:

Jim Triplett, United Contractors
Marty McKee, Thrift Development Corp.
Ted Geddis, Sloan/Eastern Bridge
Grady Wicker, Eagle Construction Co., Inc.
Gerald Ringer, Cherokee, Inc.
Sally Paul, SPC, Inc.
Joe Sox, Sox & Sons
Randy Snow, U. S. Constructors
Greg Cook U. S. Group, Inc.
Reid Banks, Banks Construction Co.
Ken Atkinson, Palmetto Corporation
Scott Fant, Sloan Construction
Benjy Hardee, AO Hardee & Son, Inc.
Mark Ashmore, Ashmore Bros. Inc.
Ben Whetstone, C. R. Jackson, Inc.
Kevin Harrington, SCDOT
Danny Shealy, SCDOT
Keith Frick, SCDOT
Robbie Isgett, SCDOT, District 1
Bryan Jones, SCDOT, District 1
Bill Mattison, SCDOT, Bridge Construction
John McCarter, SCDOT, District 4
Milt Fletcher, SCDOT, OMR
Todd Steagall, SCDOT
Clem Watson, SCDOT
Charles Eleazer, SCDOT
Steve Ikerd, FHWA
Lee Neighbors, SCDOT, District 2
Christy Hall, SCDOT, District 3
David Glenn, SCDOT, District 6
Kyle Berry, SCDOT, District 5
Jim Porth, SCDOT, District 7

The meeting was called to order by Jim Triplett with introductions of attendees.

Old Business

Update on Clemson Conference

Danny reported the conference will be March 25 and 26, 2009 at Clemson University. The conference is mainly for staff with PE's from SCDOT. Others are welcome to attend. A draft agenda was provided.

New Pay Items Draft Specification

Jim Triplett requested any additional comments on the draft specs to be forward via e-mail by February 6, 2009 and noted that the committee should re-evaluate the application/effectiveness of the new pay items in 9 to 12 months: Each item was then discussed as follows:

Mobilization - Subcontractor – All agreed this spec will work well to isolate the mobilization costs associated with specialty subcontractors. There were no further comments.

Bonds and Insurance – There were no further comments.

Bridge Construction Access – All agreed this spec will work well to isolate the bridge construction access costs associated with special/difficult site conditions. There were no further comments.

Borrow Pit Set-Up – 1) To better align with the actual timing/amount of borrow pit costs, CAGC requested SCDOT to consider paying 90% in lieu of 80% of this bid item when the NPDES permit was approved, then 10% in lieu of 20% when the NOT was submitted. 2) The bid amounts for this item will vary significantly between contractors depending on which bidders have or don't have existing borrow pits in the vicinity of the project at hand, i.e. the bidder that already has an open pit may bid this item for very little versus the bidder setting up a new pit for a project. 3) With respect to the final payment of this bid item, submittal, and not approval, of the NOT would be proper because sometimes DHEC takes a very long time to approve the NOT. Also, often a pit is not actually closed, but instead transferred to another project. .

Danny Shealy stated SCDOT's intent is to be notified when a pit operation has ceased. We do not want to tie this to the project close out.

Jim Triplett recommended we consider a different "trigger" other than the NOT or just let the trigger be the submittal (not approval) of the NOT or "Transfer" documentation, especially since the NOT is in the contractors name so DHEC would come back to the contractor not SCDOT if there were any problems. It was noted that if a pit were transferred to a new project, technically it is being

closed for one project and simultaneously opened for another, but the pit permit number is not tied to a particular project.

Action: Danny asked for all comments regarding the Borrow Pit Set-Up specification be sent to the Road Subcommittee for review at the next meeting and for a final recommendation.

Stimulus Package Update

At this time Brian Derry with National AGC was teleconferenced into the meeting to provide an update on the status of the stimulus package. The highlights of his comments are:

The House Bill:

- House voted and passed Bill on January 28
- Senate will vote on their bill next week.
- President wants a bi-partisan vote so there will be lots of trading to negotiate a compromise.
- House bill is \$30 billion allocated to states by formula.
- Fifty percent has to be obligated in 90 days. If the funds are not obligated they go to other states who complied.
- Have until August 2010 to obligate the remaining 50%. Again, if not it will go to states who complied.
- Obligated means when DOT submits project to FHA for approval.
- There is other money in the bill that will go to public lands, transit (\$1 billion New Start Program), airport improvement (\$3 billion) Coast Guard bridges (intercoastal waterway).
- There is \$43 billion total in the House bill.

The Senate bill:

- \$27 Billion for FHA distributed by the STP formula.
- Fifty percent obligated in 180 days with remaining 50% obligated within one year of enactment of bill.
- If not obligated, funds go to new grant program. AGC recommended against new grant program as we need the funds now.
- Senator Boxer met with AGC and appears to agree.
- No money in New Start program, but in transit formula. Both have money for Amtrack high speed and rail. Also \$1.1 billion for airports and money for Coast Guard.

There is a "buy American" requirement that American made steel and iron is to be used unless there is a waiver that it is not in the best interest of the taxpayers. Tax provisions for contractors were also being considered. A question and answer session followed thereafter including:

- Q) Are there any limits on how quickly the contracts must be completed?
- A) Money has to be spent within 3 years of award on contract.

Q) Can the Governor be bypassed if he does not want to accept the money?
A) Not at this time, but the Senate version is supposed to address this.

Q) How is the money allocated/spent at State level?
A) House – 70% to DOT Senate - 55% to DOT

The committee thanked Brian for his insight and the teleconference was ended.

Randy Snow asked what this means to DOT. Steve Ikerd responded it is estimated SC will receive \$500M and they will be working with the MPO's to select the projects. The plans and specs have to be ready for FHA to obligate.

Benjy Hardee asked where does design build fit into the program. Danny Shealy stated that this was an option. We don't have to have everything in place with design build.

Scott Fant asked if we still have the State budget to spend. Danny Shealy stated they were planning on \$600M this year of State money and then asked if the contractors and subs/suppliers were ready for the work. Several members of the CAGC had already discussed this issue with their supply chains and everyone indicated the industry was prepared for the work, but that the aggregate supplies may be the largest concern.

Reid Banks asked when should this work "hit the streets" and Danny indicated the DOT was looking at the end of March.

Scott Fant asked if DOT will obligate State money for some projects now and then the stimulus money later. Danny replied we will use all of our projects ready now for the stimulus money first and then have time to get projects ready for State money.

Danny noted that beginning with the March lettings, the bid opening time will be changed from 2:00 PM to 10:00 AM to help staff with the bid opening process. The projects using the stimulus money will be in separate lettings and will be scheduled as the projects are ready and so there could be several lettings each month. The advertisement periods may only be 21 days prior to the letting date. Also, until the stimulus is received, DOT will continue to move forward with the \$600M state money.

Clem Watson reported on the Commission meeting and money allocations of 33% resurfacing, 33% MOP and COGS, 16% interstate work, 4% safety, and 12.5% bridges. This is out for public comment on the DOT web site in the STIP provision.

It was noted that DOT should stagger the project completion dates as necessary to provide the best efficiencies to the contactors and subs/suppliers, i.e. try to avoid having too many projects with simultaneous completion dates. Also, there will be some additional reporting required from the contractors for the "stimulus" projects and DBE participation will also be required.

Jim Triplett noted the DOT and CAGC should reach out to the utility companies to "get them on board" and that maybe we should have some strategic meetings with various utility providers to disseminate the upcoming demands.

New Business

Joint Committee Meeting via Teleconference

DOT will look into this for the Joint Committee and some Sub Committee meetings due to travel constraints on DOT employees.

CPES Review

A handout was provided to make contractors aware of how DOT calculates the score. Page 4 indexes are based on a three year history. Page 5 has the QMT and claims denied indexes. When a claim is certified it is official and then goes to the index chart when settled. Be sure your claim is a justifiable amount because your score in this category is a function of the amount of claim money denied.

The system is 80% objective and 20% subjective and a letter is being sent from Greg Peck to explain the scoring system. After this, certified claims will be counted in the score when settled. It was decided to defer comments on this until the March meeting. Contractors should wait until after the first quarter scores are received.

SiteXchange

DOT is adding this new software communication tool for the purposes of reviewing/approving sub and hauler requests electronically. At the request of Danny, Greg Cook and Jim Triplett offered to participate on some "live" pilot projects to work out any problems.

District Re-alignment

A map handout was provided with the new district alignments as of July 1, 2009. Anderson and Aiken counties have been moved. For any new projects and any projects not very far along, they will be managed per the new districts. For any project let before July 1, the award letter will identify the new district.

Substantial Work Complete Date

Charles Eleazer provided a handout concerning the new definition which will be included in the February letting. This is to help closeout projects sooner across the state.

Several contractors noted the times/completion dates for the projects need to be set appropriately to allow for seasonally restricted activities such as thermo pavement markings, especially since there are only a few subs who perform some of this specialty work and they could/would be overloaded if too many projects completed at the same time. Contractors also asked if this new definition would change the way project time is calculated and Charles indicated this was being accounted for in their time estimates.

Danny added there may be a need for an alternate definition for A+B bridge projects. Scott Fant suggested taking thermo completely out of the projects and have DOT contract directly with the specialty subs on an annual basis. This could save time and money. Danny indicated this could be a major tracking issue for DOT for various reasons and let's try the new definition as is for now.

New Seeding Specification

Sally Paul expressed concerns about the new spec and thought the January letting was somewhat of a "disaster" and very difficult to bid. She mentioned that no one really knows what meets the new spec and the watering bid item is still a big problem. You cannot blend the fertilizer in the field. You can buy it pre-blended. The mulch list should be changed as to what is superior, etc.

Danny answered that this is already being revisited. The watering will be changed. Concerning fertilizer, we will change back to ton basis and determine what each county requires. We will then furnish a revised spec for review.

Subcommittee Reports

No subcommittees met since last Joint Committee meeting, so no reports.

Next Road and Bridge subcommittee meetings will be February 19, 2009

Next Utility and Project Development subcommittee meetings will be February 26, 2009 and they will meet jointly.

The next Joint Committee meeting will be on March 25, 2009 at Clemson immediately following Clemson Conference sessions that day. This is in an effort to save time and money for both the DOT and contractors.

The meeting was adjourned.