

ACEC Transportation Committee Meeting Minutes

Monday February 17, 2020 | 3:00 PM | NC Rural Center | Raleigh, North Carolina

1. Welcome and Opening Remarks - Keith Skinner

Thanks to Meeting Sponsors: Schnabel Engineering and Percheron

NCDOT Cash Flow/Work Restart/Upcoming Program in General **Bobby Lewis, NCDOT Chief Operating Officer**

Bobby Lewis, Chief Operating Officer gave a presentation on the current Cash Flow issues, project restart, and upcoming program (Presentation Attached) Chris Werner, NCDOT Director of Technical Services, was also available to assist with questions.

Key Points:

- A history of NC Funding mechanisms and history of these funds was presented from the 1916 establishment of the Highway Commission to our current STI Law. Differences in the Highway fund and the Highway trust fund were explained, along with the desire to remove politics from the NC project prioritization process leading to the STI development.
- A comparison of the current versus past Capital Program and O&M program was presented. O&M Allocations versus Storm Expenditures was charted and illustrates some of the recent shortfalls due to the large storms in recent years. The expenditures to date of \$600 million for the MAP act were also discussed
- Funding from Legislative Bill SL 2019-251 SB 356:
 - \$400M build NC (2)
 - 40 projects
 - \$100M Trust Fund Loan to Highway Fund
 - \$50M on or before Feb 1
 - \$50M on or before May 1
 - Transportation Emergency response
 - \$125M for Presidential declarations (\$64 currently) (must be separate account from funds so always there for emergencies) \$61 million needed in the fund by June. NCDOT has requested for more time to fund.
 - Increase base due to snow/ice/emergencies
- CASH Balance Chart, covering September 2018 to January 2019, was presented. Storms and MAP act initiated a heavy drain on the balance in 2018. The drop in the balance from Dec 2019 to Jan 2020, is due the Powell bill payment not posting in January. Federal appropriations bill passed and normally this money would be immediately available to bill. However, the Federal payment was not received for 5 to 6 weeks also lowering the cash balance. This payments should all be received around the first of March. It is anticipated that the balance will hover around this level thru September. However, one big storm that hits 70 or more counties will cause issues for the cash balance. A storm of this size can have a cost of up to \$15 to \$20 million a day.

- Project Initiation Status – As of Aug 30, 2019 - 897 projects placed on hold. As of January 2020, 234 projects reinitiated. Prior to February, expected FY 2020 to have 473 projects restarted. February update, 52 reinitiated to date.
- Tracking Invoices - Working to clear projects beyond 90 days.

NCDOT Cash Balance/Project Delivery Q&A by Chris Werner

- Question: If we don't have major storms we will not hit bottom of cash balance, \$300M?
 - Answer: Yes, but still have to move \$61M to emergency fund. Every storm will lower fund and more will be needed to replace to \$125M.
- Question: Is 52 projects for Feb accurate?
 - Answer: Yes, but waiting to hear from 2 divisions. Could be 52 projects +/-
- Question: How do R/W costs play in this?
 - Answer: Have \$500M in R/W costs coming. Currently have \$275M to date, probably will end up around \$435M for year. Factored in but separate budget.
- Question: How much of the MAP act settlement is paid?
 - Answer: Still have 540, Hampstead, Winston Salem Beltway to settle.
- Question: When will the 12 Month letting list stabilize?
 - Answer: Not sure yet, been unstable. Trying to solidify the next 3 years, Getting close. Projects were moved to 2020 but other projects not moved from 2020 to 2021. Some projects still need to be adjusted.
- Question: With change in secretary any changes in procedures?
 - Answer: No, Bobby Lewis commented he started with Erik in Division 4 together. Should be smooth, no swooping changes.
- Question: When will project initiation list be updated?
 - Answer: Will update this week then amend with other 2 Divisions.

2. Subcommittee Reports

Design Build: Matthew Payne - Meeting held February 4th (See Meeting Minutes)

Key Points:

- Incident Management Presentation (Jennifer Portanova, NCDOT) – presented changes for all projects including Design Build regarding work zone safety and maintenance issues. Risk for signal system and signs for Design Build Projects was discussed. Also discussed were concerns about towing vehicles without Highway patrol. Feedback for changes and high risk/ high dollar items was requested
- City of Raleigh Design Build, no updates received, still working on it.
- US Forestry Ranger Building R-5777C Project. The Forestry building design and construction will not be included in the contract. Not allowed/feasible to mix funding.
- Integrated Project Delivery (IPD) - Lamar Sylvester, gave an update on how IPD (still in development stage) will be integrated. Still planned for DB projects to have same phases as other Design Bid Build projects. Design Build integration of IPD will probably lag behind implementation on traditional projects. An IPD concept being considered is providing a general concept for the Traffic Control Plans and a Scope of Work, in lieu of signed and sealed Traffic Control Plans. Feedback is solicited on this concept. Discussion noted: most contractors don't have adequate time in pursuit phase for TC plan development and concern on developing their own TC plans.
- 2018 Green Book has been adopted and will be used on new projects.
- NCDOT GEC will be extended to April 2021, advertised in October/November 2020.

- NCTA plans to apply for INFRA grants. Would like to accelerate last portion of NC 540, will know in 3 to 4 months once have INFRA grant results.
- Carolina AGC Items: Discussion of timing of new projects, looking at extending periods to time better to increase competition. AGC would like 8 months to help separate the projects. Discussions also included ABC, 3% rolling grade, and different criteria for DB projects. Will consider elimination of standard wording in ads to address some of these issues. New requirement for signal design equipment testing would not require the inclusion of firms used for this on SOQs and will not be a judging criteria.

Project Delivery: Tim Hayes - Meeting held February 6th (See Meeting Minutes)

Key Points:

- Legislation has allocated \$64M to the emergency fund but NCDOT must increase the balance to \$125M by June 30th. This will require a redistribution of \$61M cash that will not be calculated in the overall cash balance. NCDOT will attempt to get approval from the general assembly to count these dollars in our cash balance calculations or additional time to fund the \$125M amount.
- April - June cash balance projections remain extremely tight.
- Chris Werner stated there were originally 897 suspended projects in August. 70 were started back through November. A total of 234 were started back through December, then 2 were paused again for a total of 232 projects started back. Currently reviewing projects for February reinitiating. Only starting back projects as the cash balance stabilizes. Consultants should not begin work on projects until they receive notification from NCDOT.
- NCDOT is tracking progress of invoice receipts and payments and has cleared almost all backlog over 30 days old. If a consultant has an issue with an invoice getting paid - please send email to the appropriate NCDOT project manager with invoice information for those over 30 days old. NCDOT has informed project managers to track the invoices to assure prompt payment. If needed, the project manager will coordinate with Chief's Office or Technical Services Office for status.
- IPD development continues with the goal to provide statewide consistency for an aging workforce and knowledge escaping the department/industry.
- LSCs for central managed projects will be posted on Feb. 14th. Western Division LSCs (Divisions 8-14) will be extended 1 year with possible dollars added to the contracts. Master LSC schedule has created new column with status. Planning/Design LSC will be the same as the Eastern/Western LSC with GESG included. The number of selections will be based on projected workloads.
- CRS system generated correspondence is now sent to go to the firm's CRS point of contact. Previously, the correspondence was being sent to the firm's Prequalification point of contact.
- NCDOT cash balance goal is above the floor and below \$1Billion dollars. Build NC bond sales require cash balance to be below \$1Billion. Optimum balance may be in the \$550M-\$700M range.

Construction & Materials: Allen Pope - Meeting held January 31st (See Meeting Minutes)

Key Points:

- Materials & Testing training registration now on CVENT. CEI guidelines, rates, etc to be updated by June 1st.
- Issues with plate fit for Volume Meter. A memo from NCDOT has been requested with retrofit instructions.
- Silica safety awareness training, 30 minute training. Memo stating requirement expected.
- AGS conference dates available, limited attendance.
- Central construction staffing study done in December 2019 found just under 1000 staff were needed, no growth expected over the next 3 years. Will repeat the study after TIP changes. Contract administration costs, needs to be less than 10% of project. Goal 8 to 10%, historically has been 12 to 14%.
- A Conference call with Lamar Sylvester was held concerning recruiting by firms on job sites and reported at meeting. DOT does not condone or want technicians to be bothered will on the job site.

Structures: Sam Cullum - Meeting Held November 4th (See Meeting Minutes)

Key Points:

- Training – NCDOT Bridge Constructability Forums - 2 meetings March 11th in Charlotte, Raleigh March 25th (UPDATE: Postponed due to COVID-19)
- Future Bridge Forum – Design and Construction (B-4974) (Date TBD)
- Division let program pushed back 12 months.
- Possible Design Issue – Research possible for construction issue at the Aviation Parkway Bridge due to the excavated holes being filled with concrete, resulting in an integral bent with very rigid shafts compared to H-pile foundation. SMU noted that they may ask firms to take additional looks at integral cap designs for phased construction in the future.

Joint Conference: Greg Cols

Key Points:

- 2020 Joint Transportation Conference is on Oct 22nd with the typical opening evening reception on the 21st. Registration opens in August.
- Mickey Bidell is the new Co-Chair.

3. Other Business - Jim Smith

- Legislative Update – David Ferrell – Nexsen Pruet and Jim Smith: Still no budget. Available to answer any questions on legislative items or bills. There will probably an ask to the legislators from NCDOT of several hundred million.
- Open Discussion - No comments or questions.

Next Meeting: May 18, 2020 | By Video, 3 pm



NORTH CAROLINA

Department of Transportation

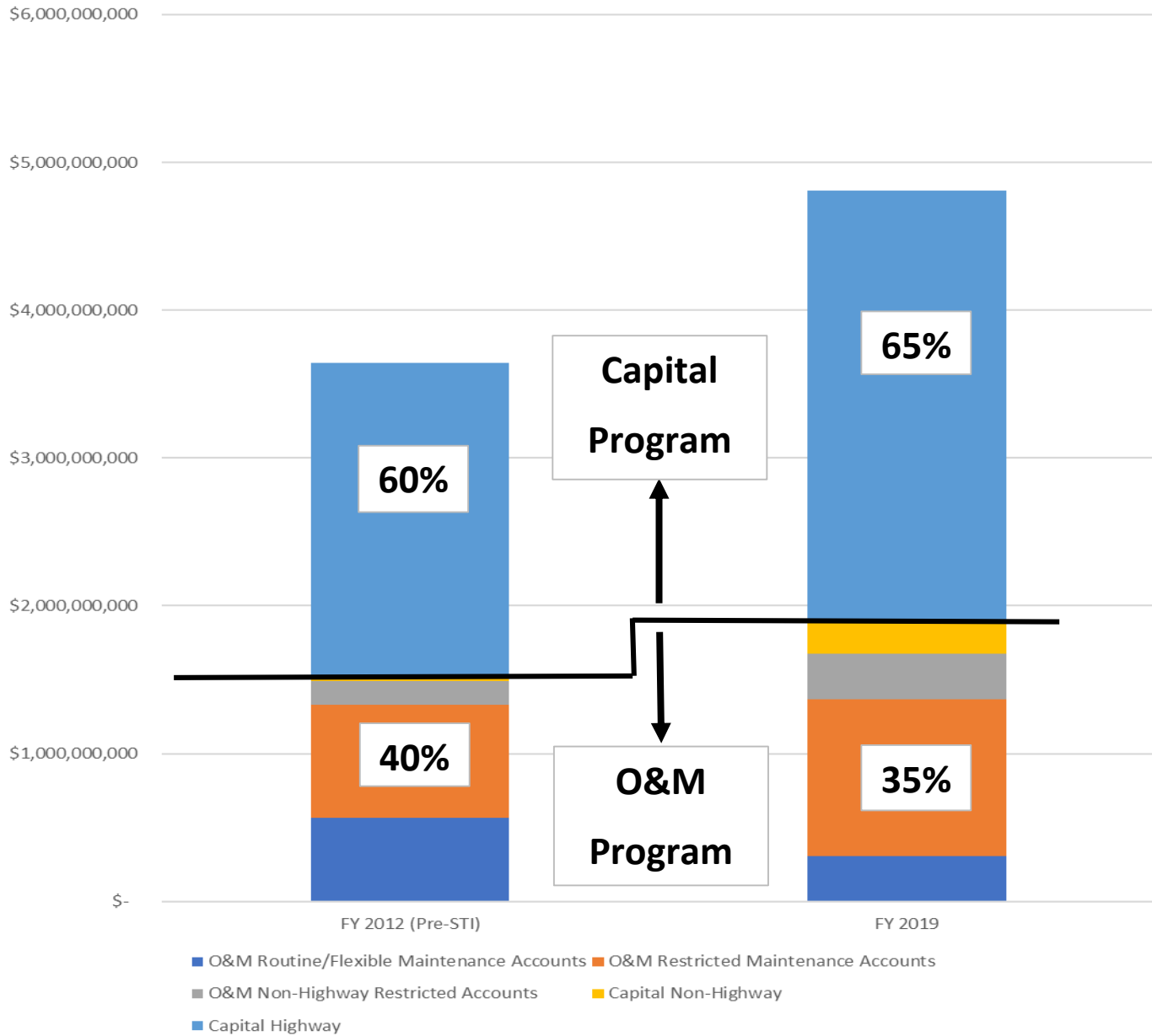


ACEC Transportation Committee

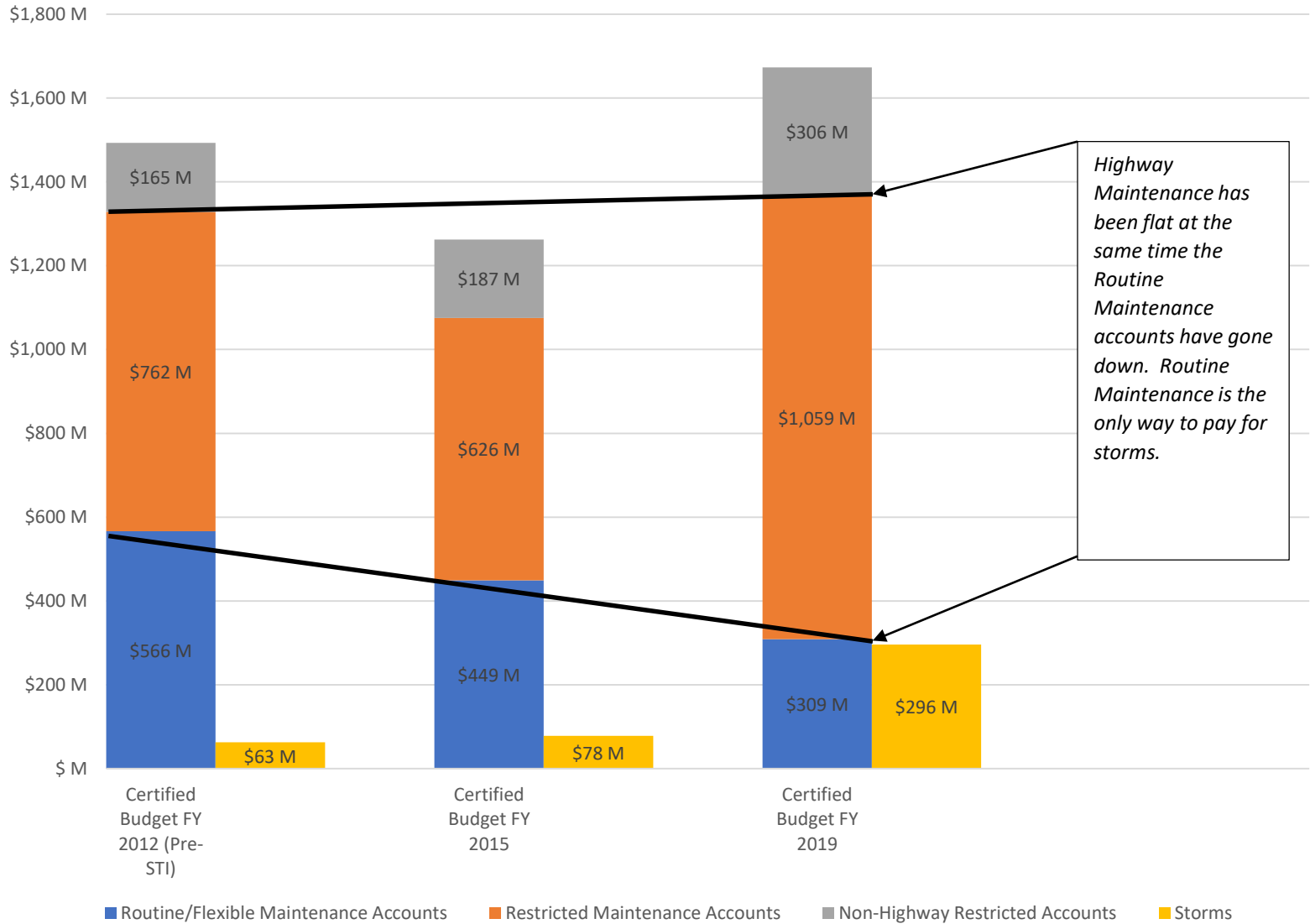
Bobby Lewis, Chief Operating Officer

February 17, 2020

O&M vs Capital (FY 2012, FY 2019 Comparison)



O&M Allocations vs Storm Expenditures



SL 2019-251 (SB 356)

- \$400M Build NC (2)
 - ~40 projects
- \$100M Trust Fund Loan to Highway Fund
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Cash Balance

	Combined Cash Balance
September 2018	955.2
October 2018	736.3
November 2018	518.3
December 2018	342.8
January 2019	435.2
February 2019	437.8
March 2019	426.8
April 2019	370
May 2019	499.7
June 2019	433.6
July 2019	414.5
August 2019	387.6
September 2019	435.6
October 2019	375.9
November 2019	341.5
December 2019	454.1
January 2019	390.2

Project Initiation Status

- August 30, 2019: 897 projects were put on hold
- As of the January: 234 projects have been reinitiated for PE
- Prior to February releases, below was the draft plan:

Project Initiation Status -based on published list	
STATUS	COUNT
INITIATED SEPT-DEC	78
JANUARY 2020	154
TENTATIVE - FEBRUARY	63
TENTATIVE - MARCH	7
TENTATIVE - APRIL	61
TENTATIVE - MAY	110
TOTAL FY2020	473

- February update: 52 reinitiated

Considerations

- Re-scoping (if required)
- Adjust schedules (if required)
- Express Designs

DPOC and LAP

- DPOC projects will be looked at similar to central let for initiation
- MPOs and RPOs submitted a prioritized list (January 30, 2020)

Tracking Invoices

- Currently every Monday the “Workflow Invoice Report’ is run
- Filter to see where invoices are in workflow
- Weekly notification signals units to begin inquires

Days Outstanding		
Phase 100	Qty.	Sum
<30 Days	474	\$ 12,652,177.06
30-60 Days	16	\$ 176,214.79
60-90 Days	1	\$ 18,664.80
90+	6	\$ 148,909.85
Total	497	\$ 12,995,966.50

ACEC/NC TRANSPORTATION COMMITTEE MEETING

Monday, February 17, 2020 AT 3:00PM

NC Rural Center

Raleigh, North Carolina

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