

ACEC-NC Transportation Committee – November 19, 2020

Meeting Minutes taken by Davis Diggs, PE – Kisinger Campo & Associates

- **Meeting sponsored by Alfred Benesch & Company** – Greg Stewart, PE – NC Transportation Manager, gave a brief overview of the company.
- **Welcome and Introductions.**
 - Lisa Samples, PE of ms consultants, Inc. welcomed everyone and thanked ACEC-NC for setting up the online meeting. Lisa then introduced our guest speaker.
- **Guest speaker – Mark Coggins, Director of Government Affairs at the NC Chamber** gave a summary of the Chamber's report released earlier this year - [Modernizing North Carolina's Infrastructure Through Sustainable and Diversified Revenue Streams \(proofpoint.com\)](#) Topics covered included the following:
 - Significant economic impact is realized after investments are made in infrastructure.
 - The current Motor Fuels Tax is insufficient to sustain infrastructure needs. Diversification of revenue streams is critical to future success. With needs in excess of \$50 Billion, the current gas tax of 36.2 C/gal is not enough. NC's current state sales tax is only 4.75%. None of that is spent on Transportation. NC's current Highway Use Tax is only 3% and is the second lowest rate in the US. NC's current transportation budget is approximately \$5 Billion per year. This is not enough with needs > \$50 Billion.
 - The report recommends phasing out the gas tax and implementation of a Road User Charge of 1.98 Cents/Mile, direct a portion of the state sales tax to transportation – 1.3%, increase the Highway Use Tax by 1%.
 - The NC Chamber advocates to build a coalition through their Destination 2030 and others such as the NC First Commission.
 - Questions from the group... Were commercial uses considered as other revenue sources such as taxes or increased fees on outdoor advertising signs? Yes – but very sensitive politically and there are currently very strict regulations governing those fees. Were differential rates considered for commercial Road User Charges vs. personal RUC's? Yes – but not recommended now due to commercial fees are already in place.
- **Design/Build Subcommittee** report was given by Jonathan Henderson, PE of HDR Inc. The complete minutes are also available. Highlights included the following.
 - NCTA plans to advertise next year – GESC On Call
 - D/B Teams need to be more involved in incidents.
 - Utilities, Clearing, Grubbing and Erosion Control are still being looked at by NCDOT...
 - Noise walls are still being looked at by the working group.
 - Permit schedule allows 11 months is not enough. Subcommittee recommends that it be looked at on a case-by-case basis specific to each project.
 - I-26 Progressive D/B is continuing. NCDOT is going to develop Process Documents with notes to come. Then NCDOT will select a task force subcommittee to evaluate.

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- **Project Delivery Subcommittee** report was given by Mike Lindgren, PE of Stantec. The complete minutes are available. Highlights include the following.
 - Legislative and NCDOT staffing updates were given.
 - Revenues are coming in ahead of expenditures. Therefore, the NCDOT cash balance is increasing. \$700 M Build NC bonds was only applied to current projects.
 - NCDOT currently has a hiring freeze on, but some critical positions will be posted and filled.
 - New Move Forward List is coming.
 - NCDOT is not issuing any Limited NTP's at this time.
 - The new Utilities Manual is currently under Federal review.
 - IPD website version 2.0 will be out in June 2021.
 - In mid-December, the D/B and EAU LSA's will advertise. In mid-February, the West Divisions contracts will advertise. The SMU ad will be similar. Flexibility is the goal. Master LSA schedule will be kept up to date.
 - Brenda Moore indicated that more training on ORD will be forthcoming and that they are working on an updated Roadway Design Manual.
 - Where there were embedded consultants, some will be filled with NCDOT staff.

- **Construction and Materials Subcommittee** report was given by Davis Diggs, PE of Kisinger Campo & Associates. The complete minutes are available. Highlights include the following.
 - M&T Training Updates – Remainder of 2020 classes were canceled. May resume in February 2021. Refund notifications were sent directly to the technicians. Expiring certs extended on a case-by-case basis. A provisional certification process is available for new certs. Sam Fredrick to check on project certification where certs from Geotech were waived.
 - The 2020 CEI On-Call contracts were being executed at the time of our meeting in October. New purchase orders will be assigned as the old PO's run out of money. The industry is not in agreement with this process as it creates many disadvantages for the firms engaged in this work including not being allowed to apply the new monthly truck rates. Also, NCDOT will not allow firms to renegotiate fees for services under the new contract if staff are performing the same function in the same office as under the 2017 contracts. This includes rates for engineering personnel. The industry is not in agreement with this procedure either as it constitutes a fixed price for our professional services. The Construction and Materials Subcommittee's industry partners have requested both issues be raised to the Transportation Advisory Board (TAB) for further action.
 - Reduced hours and limited overtime for CEI staff continues to be an issue. Divisions must request permission to have staff work more than 40 hours in a given week. This is causing problems where staff are working OT and not being compensated for it.
 - CEI engineering staff rates are not included in the NCDOT Consultant Rate System. They were also not eligible for the 2020 billable rate increases. NCDOT agreed to review this issue and provide feedback to the industry.

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- SPSF certified firms requested assistance concerning the cuts to CEI staff made by NCDOT. NCDOT stated that they cannot legally set goals on CEI contracts. It is up to each individual DBE/SPFS to search out opportunities on their own when trying to obtain work with the Department.
 - CEI staffing projections were not known at the time of our meeting but should have more information by January.
 - Project Specific CEI - I-5986C & R-5777D Broadband along I-95 and US-70
 - The new CEI Guidelines should be available for industry review by end of 2020. Webinars will be held for both NCDOT and industry sometime early 2021.
 - Next meeting is January 20, 2021.
 - Jason Peterson, PE of RK&K is the Transportation Liaison to the ACEC Board of Directors. He gave an update to the CEI issues raised to the TAB. NCDOT offered to review the issues and report back. They did state that there are currently no plans for additional cuts to use of CEI.
- **Structures Subcommittee** report was given by Sam Al-Jamal, PE of Infrastructure Consulting and Engineering. The complete minutes are available. Highlights include the following.
- The Jug Handle Bridge Workshop was held yesterday. The Lake Tillery Bridge Workshop will be December 8. Prestress Concrete Bridge Seminar will be in Fall of 2021. The Steel Bridge Seminar will be in Spring 2022.
 - NCDOT's Structures Management Unit LSC selected 51 firms and will advertise again in 2022.
 - Next meeting is February 1, 2021.
- **Joint Conference Subcommittee** report was given by Greg Cols, PE of AECOM. Highlights include the following.
- With the exception of the initial technical glitch, the virtual conference went very well. Thanks to all who worked so hard on it.
 - The subcommittee has received good feedback. A full report of feedback will be available soon.
 - All sessions are recorded on the conference app.
 - There were 1100 registered attendees with 16 hours of breakout sessions. The planning committee put in 44 hours working on the conference.
 - Planning for the 2021 conference will begin in January. Greg Cols will step down as co-chair. Mickey Biedell, PE of NCDOT will be the leading co-chair and an industry representative will be chosen for the junior co-chair position.
- **Transportation Advisory Board** update was given by Jim Smith, Executive Director of ACEC-NC.
- NCDOT Organization will remain unchanged. Secretary Boyette may stay in place. The Chief Engineer vacancy is soon to be filled.
 - NCDOT maintains a 28% vacancy rate, however some key positions will likely be advertised soon. They are committed to the outsourcing goals established in previous legislation and commitments.

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- At the time of the TAB meeting the NCDOT cash balance was \$630M. The State Treasurer was able to sell \$780M in Build NC Bonds due to the lower-than-expected interest rate of 1.54%. Those funds will be directed to current projects under construction.
 - Quarterly spend plans have been submitted to the Council of State for review. NCDOT is still evaluating cost effects of previous weeks' storms and flooding. They experienced approximately \$15-\$20 million in related cleanup.
 - The latest restart list should come out soon.
 - All suspended programs are being turned back on by NCDOT.
 - The goal is to maintain a cash balance between \$600M - \$700M.
 - ACH Payments are being processed.
 - Question was raised by industry about potential field rate applying to Surveying. NCDOT stated that is not being considered. Surveying will continue to use their office overhead rates.
 - Legislative coordination. Proposal for a long-term fix coming next year.
- **2020 Election Results** update given by Jim Smith, Executive Director of ACEC-NC and David Ferrell, ACEC-NC Lobbyist.
- NC Legislature – Republicans gained seats in both the House and Senate, but not enough to be veto proof. Gov. Cooper was reelected, leading to continuation of the status quo and a divided state government. NC Council of State shifted to the Republicans, now with 6 Republicans and 4 Democrats.
 - On the Federal level, US President – Biden is projected winner with Trump contesting in key states. The US House remains in Democrat hands and the US Senate is up for grabs with Georgia going to a runoff for both of its Senate seats.
 - The NC Congressional Delegation remains Republican, although with less of a majority. It was 10R/3D and now will be 8R/5D mostly due to redistricting.
 - Every state candidate that ACEC-NC supported won.
 - Important NC House and Senate committee chairs will mostly be the same. Any new leaders will be announced soon.
 - NC Court elections resulted in more Republicans, including a pickup of 2 seats on the NC Supreme Court including Chief Justice. But Democrats still maintain a 4-3 majority.
- **ACEC National** update given by Jim Smith, Executive Director of ACEC-NC
- National infrastructure bill seems to be supported by the incoming Biden administration. If the Senate remains Republican, they will likely reduce the amount. Should see some movement on this bill by February or March. Emphasis areas will be Broadband, Climate Change and infrastructure related to current and future pandemics.
 - CARES Act – PPP payback updates will be forthcoming. Keep an eye out for email blasts from ACEC. It doesn't look like the IRS position on it will change.
- **General Questions/Answers** - Everyone was allowed to ask questions in the chat box. Jim Smith facilitated answers to the questions.

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- What was meant in TAB meeting by “Turning on all suspended programs?” For suspended projects – As long as they fell within the restructured STIP, then they would be restarted. Unknown at this time what it means for numbers.
 - Project Management Website – List of projects to be updated will be posted by Monday.
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- **Next meeting will be February 18, 2021.**
 - **Subcommittee reports attached.**

Meeting was adjourned.