

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
June 24, 2010
Lansing, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Ted B. Wahby, Chair
Linda Miller Atkinson, Vice Chair
Maureen Miller Brosnan, Commissioner
Steven K. Girard, Commissioner
Jerrold M. Jung, Commissioner
James S. Scalici, Commissioner

Also Present: Kirk T. Steudle, Director
Frank E. Kelley, Commission Advisor
Marneta Griffin, Commission Executive Assistant
Jerry Jones, Commission Auditor, Office of Commission Audit
Patrick Isom, Attorney General's Office, Transportation Division
Mark VanPortFleet, Bureau Director, Highway Development
Myron Frierson, Bureau Director, Finance and Administration
Steve Palmer, Pavement Operations Engineer, C&T
Greg Johnson, Chief Operations Officer
Jackie Shinn, Chief Deputy Director
Leon Hank, Chief Administrative Officer
Bill Shreck, Director, Office of Communications
Susan Mortel, Bureau Director, Transportation Planning
Ed Timpf, Administrator, Finance and Administration
Sharon Edgar, Administrator, Bureau of Passenger Transportation
Melvin Williams, Administrator, Freight Services and Safety Division
Mark Chaput, University Region Engineer
Roger Safford, Grand Region Engineer
Randy Van Portfliet, Superior Region Engineer

A list of those people who attended the meeting is attached to the official minutes.

Chair Wahby called the meeting to order at 9:00 a.m. in the Bureau of Aeronautics and Freight Services Auditorium in Lansing, Michigan.

I. **COMMISSION BUSINESS**

Commission Minutes

Chair Wahby entertained a motion for approval of the minutes from the State Transportation Commission meeting of May 20, 2010.

Moved by Commissioner Atkinson, with support from Commissioner Girard, to approve the minutes from the State Transportation Commission meeting of May 20, 2010.
Motion carried.

II. **DIRECTOR'S REPORT**

Director Steudle's report was shared with Greg Johnson and Dan DeGraaf, Michigan Concrete Association & CQP Executive Steering Committee Co-Chair, and focused on:

Construction Quality Partnership

The Construction Quality Partnership (CQP) Charter was originally signed at the April 27, 2006 STC meeting and focuses on continuous improvement of the State's transportation system. The eight partners are: ACEC, APAM, CRAM, FHWA, MCPA, MITA, MRPA and MDOT. The first step in this process is training; the ultimate step is certification.

Collective training, for all members of all partners, was part of the original CQP focus and occurs on three levels: hands-on (front line personnel), technical (project engineering/management), and strategic (corporate/executive management). Pilot efforts in 2007 and 2008 netted the following lessons learned: need to have training available at many times throughout the year, need different training mechanisms (including "online"), need to use existing courses instead of always "building our own". Currently there are 120 courses covering five work product areas: concrete construction, hot mix asphalt construction, preventive maintenance work activities, general constructive and contract administration activities, and project design. There is joint training for both individuals and owner agencies. In 2009 it is estimated that 3,400 went through some training in this program. There are 890 pre-qualified contractors, 180 pre-qualified consultants, all of the MDOT staff, 83 County Road Commissions, and 50 cities that participate in the federal aid program.

There are two awards being given today. The criteria for both are somewhat the same however what stands out today are "Innovation" (focuses on major departures from current practice) and "Partnering" (focuses on learning from each other).

Innovation: Houghton Reconstruction and Streetscape (US-41/Shelden Avenue, Downtown Business District)

The original plans were for a simple resurfaced project for downtown Houghton; however conversations with the City of Houghton led to major changes in the plans. They suggested end-to-end and storefront-to-storefront reconstruction which included replacement of underground utilities (water, sewer, storm sewer and electricity). They used several funding sources: road preservation, traffic and safety funding, Transportation Enhancement Grants, Michigan Vibrant Small Cities Initiative, and Rural Development Loans. Houghton was able to provide more than 2/3 of the funds for the project. The construction drew business to downtown with new streets and new sidewalks (temporary wood sidewalks were used and were moved to the next block as work proceeded). There was a very good partnership with the Downtown Merchants Association (special downtown events were held during construction). They got new streetlights matching historic lights from the past. The total project cost was \$4.6 million.

Accepting the award for the Prime Contractor (Bacco Construction) is Vice President, Doug Rigoni, the Designers (U. P. Engineer and Architects, City of Houghton, the

Downtown Houghton Merchant's Association) and the Owner (MDOT) is Al Anderson, Delivery Engineer from the Ishpeming TSC.

MDOT is working with partners so that we all get better. All of the CQP partners are improving their effectiveness and efficiency. By working together, we all can optimize our contributions to Michigan's economy.

Partnering: Farm Lane Underpasses on the campus of Michigan State University (not an "M" route—not owned by MDOT)

Customer focus and safety were the primary goals. Underpasses allowed trains to move safely across the new bridges and reduced user delay by 5 hours per day. The total project cost was \$42.5 million.

Accepting the award for the Designer (Bergmann Associates) is Jeremy Hedden, Project Manager, the Contractor (Posen Construction) is Blake Zapczynski, Project Manager, the Owner (Michigan State University) is Andy Linebaugh, Physical Plant Project Representative, and the Project Management (MDOT) is Jeremy McDonald, Delivery Engineer from the Lansing TSC.

Commissioner Brosnan congratulated them on their awards and commented that the idea that construction draws business to an area is an ultimate motivator.

Mr. Johnson commented that usually he has to go and deal with complaints. This time, however, the folks in Houghton actually took them to lunch to show their appreciation.

Commissioner Scalici asked how long the Houghton project took.

Mr. Johnson replied that it took one construction season (late April to beginning of October).

III. **RESOLUTIONS**

Resolution of the State Transportation Commission of the State of Michigan Indicating the Intention of the State Transportation Commission to Amend the Project List Attached to a Previously Adopted Commission Resolution – Comprehensive Transportation Bonds, Series 2002B (Exhibit X) – Myron Frierson

This bond resolution indicates the intention to amend the project list attached. As required by statute, upon approval by the Commission, this bond resolution will be transmitted to the Legislature for the 30-day notification period. The Commission will be provided with the final resolution amending the project list at the July 29, 2010, Commission meeting. A roll call vote approving this authorizing bond resolution is requested. Pending any questions, Mr. Frierson asked for approval; none were forthcoming.

Chair Wahby entertained a motion to approve the Resolution to Amend the Project List-Comprehensive Transportation Bonds, Series 2002B (Exhibit X). Motion was made by Commissioner Atkinson and supported by Commissioner Brosnan to approve the resolution. Mr. Kelley called the roll; motion carried on a unanimous vote.

Resolution of the State Transportation Commission of the State of Michigan Indicating the Intention of the State Transportation Commission to Amend the Project List Attached to a Previously Adopted Commission Resolution – Comprehensive Transportation Bonds, Series 2003 (Exhibit Y) – Myron Frierson

This bond resolution indicates the intention to amend the project list attached. As required by statute, upon approval by the Commission, this bond resolution will be transmitted to the Legislature for the 30-day notification period. The Commission will be provided with the final resolution amending the project list at the July 29, 2010, Commission meeting. A roll call vote approving this authorizing bond resolution is requested. Pending any questions, Mr. Frierson asked for approval; none were forthcoming.

Chair Wahby entertained a motion to approve the Resolution to Amend the Project List-Comprehensive Transportation Bonds, Series 2003 (Exhibit Y). Motion was made by Commissioner Brosnan and supported by Commissioner Jung to approve the resolution. Mr. Kelley called the roll; motion carried on a unanimous vote.

Resolution of the State Transportation Commission of the State of Michigan to Adopt an Amended Project List for the Comprehensive Transportation Refunding Bonds, Series 2009 (Exhibit Z) – Myron Frierson

This bond resolution adopts the amended project list attached. A roll call vote approving this authorizing bond resolution is requested. Pending any questions, Mr. Frierson asked for approval; none were forthcoming.

Chair Wahby entertained a motion to approve the Resolution to Adopt an Amended Project List for the Comprehensive Transportation Refunding Bonds, Series 2009 (Exhibit Z). Motion was made by Commissioner Girard and supported by Commissioner Brosnan to approve the resolution. Mr. Kelley called the roll; motion carried on a unanimous vote.

IV. **OVERSIGHT**

Commission Agreements (Exhibit A) – Myron Frierson

Mr. Frierson announced that Item #32 (contract #2010-4025; hot mix asphalt resurfacing...city of Bridgman) has been withdrawn. He then presented information on the remaining 107 agreements. Pending any questions, Mr. Frierson asked for approval of Exhibit A; none were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Brosnan, and supported by Commissioner Jung to approve Exhibit A less Item #32. Motion carried on a unanimous voice vote.

Bid Letting Pre-Approvals (Exhibit A-1) – Myron Frierson

Mr. Frierson gave a brief recap of the June 4, 2010 bid letting: 30 State projects with total engineers' estimates of \$41.0 million and low bid dollars totaling \$38.8 million were let. The State low bids for fiscal year-to-date 2010 total \$570.92 million compared to \$649.90 million for the same period of fiscal year 2009. The numbers show some differences because of ARRA activity beginning to kick in this time last year. The average number of bids received for the total number of projects let was 5.1, and the

average number of bids received for the 30 State projects was 3.9. Of the 166 contracting companies eligible to submit bids for the June 4, 2010 letting, 138, or 83.1%, submitted at least one bid. On September 14, 2009, 317 State projects with a total of \$852.4 million in construction cost estimates were projected to be let during the 2010 fiscal year. Through June 4, 2010, 248 State projects with \$621.4 million in total estimates were let, representing 72.9% of the total amount projected to be let in fiscal year 2010. Leading up to and including the June 4, 2010 letting, 92.1% of the projected construction cost estimate anticipated for this period was let. ARRA continues to be a success. Since March 2009, 521 projects were let that have been approved for use of ARRA funds with an engineers' estimates total of \$960.6 million and a low bid total of \$856.2 million (includes State and Local projects). The June 18, 2010, bid letting projects are identified in Exhibit A-4 below. The July 2, 2010, bid letting has 82 projects with engineers' estimates of \$65.9 million. Information on 32 projects was provided. Pending any questions, Mr. Frierson asked for approval of Exhibit A-1; none were forthcoming.

Director Steudle drew attention to the 521 projects (State and Local) of ARRA funds. This is an amazing number. These were pushed through since March 2009. Across the country some states took ARRA funds and put them into 4 or 5 big projects. We made a deliberate attempt to have lots of projects all over the state. When all is said and done, if we don't have the highest number of projects in the country, we'll be in the top 2 or 3 ahead of Texas and California.

Chair Wahby entertained a motion. Motion was made by Commissioner Atkinson and supported by Commissioner Girard to approve Exhibit A-1. Motion carried on a unanimous voice vote.

Chair Wahby directed Mr. Frierson to finish all of his agenda items then we would continue with Mr. VanPortFleet and Exhibit A-2.

Bid Letting Not Pre-Approved (Exhibit A-4) – Myron Frierson

Mr. Frierson provided information for approval of 17 Local projects which were let on June 18, 2010. Pending any questions, Mr. Frierson asked for approval of Exhibit A-4; none were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Girard and supported by Commissioner Brosnan to accept Exhibit A-4. Motion carried on a unanimous voice vote.

Letting Exceptions Agenda (Exhibit A-2) – Mark VanPortFleet

Mr. VanPortFleet provided information on 4 State projects that were over/under the engineers' estimates and is accompanied by a justification memo where needed. Pending any questions, Mr. VanPortFleet asked for approval of Exhibit A-2; none were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Atkinson and supported by Commissioner Girard to approve Exhibit A-2. Motion carried on a unanimous voice vote.

Supplemental Letting Exceptions Agenda (Exhibit A-2) – Mark VanPortFleet

Mr. VanPortFleet provided information for 1 Local project that was over the engineers' estimates and is accompanied by a justification memo. Pending any questions, Mr. VanPortFleet asked for approval of Supplemental Exhibit A-2; none were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Girard and supported by Commissioner Atkinson to approve Supplemental Exhibit A-2. Motion carried on a unanimous voice vote.

Contract Adjustments (Exhibit B) – Steve Palmer

Mr. Palmer provided information for 10 MDOT projects and 2 Local projects. Looking at the program matrix, as of May 2010 (from a fiscal year perspective) we are managing the program to within about 1.5% of the original contract cost. From a calendar year perspective we are managing it to less than the original contract cost.

Attention was drawn to MDOT Extra Item #2010-77 (.53 miles of concrete ramp reconstruction...city of Taylor, Wayne County) which is a good example of the departments' efforts to bring about environmental sustainability. This particular Extra was for an additional item for utilizing recycled concrete as an aggregate base on the project. In effect we got a significant cost credit for switching the items out. Pending any questions, Mr. Palmer asked for approval of Exhibit B; none were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Jung and supported by Commissioner Brosnan to approve Exhibit B. Motion carried on a unanimous voice vote.

V. APPOINTMENTS

Asset Management Council Appointments – Frank E. Kelley

Mr. Kelley asked the Commission to approve the appointment of Mr. Roger Safford, MDOT Grand Region Engineer, (to fill the vacancy of Director Kirk Steudle) to the Asset Management Council. Mr. Safford's bio was provided for their review.

Chair Wahby entertained a motion for approval. Motion was made by Commissioner Brosnan and supported by Commissioner Girard to approve the appointment of Roger Safford. The motion carried on a unanimous voice vote.

VI. PUBLIC COMMENTS

Chair Wahby asked if any member of the audience wanted to address the Commission; none were forthcoming.

Chair Wahby asked if any Commissioner wanted to address the Commission; none were forthcoming.

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VII. **ADJOURNMENT**

There being no further business to come before the Commission, Chair Wahby declared the meeting adjourned at 9:35 a.m.

The next full meeting of the Michigan State Transportation Commission will be held on Thursday, July 29, 2010, in the 1st floor Bureau of Aeronautics and Freight Services Auditorium in Lansing, Michigan, commencing at the hour of 9:00 a.m.

Frank E. Kelley
Commission Advisor