

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
April 26, 2012
Lansing, Michigan

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

Present: Jerrold M. Jung, Chair
Todd A. Wyatt, Vice Chair
Linda Miller Atkinson, Commissioner
Mike Hayes, Commissioner
Charles Moser, Commissioner
Sharon Rothwell, Commissioner

Also Present: Kirk Steudle, Director
Frank E. Raha III, Commission Advisor
Amy Dickenson, Commission Executive Assistant
Jack Cotter, Commission Auditor, Office of Commission Audit
Michael Riley, Attorney General's Office, Transportation Division
Brenda O'Brien, Engineer of Construction & Technology
Mark VanPortFleet, Bureau Director, Highway Development
Myron Frierson, Bureau Director, Finance and Administration
Andrea Mowry, Finance and Administration
Polly Kent, Administrator, Policy Division
Sharon Edgar, Administrator, Bureau of Passenger Transportation
Dave Wresinski, Director, Bureau of Transportation Planning
Denise Jackson, Administrator, Statewide Planning
Kelley Bartlett, Director, Office of Governmental Affairs
Tim Hoeffner, Administrator, Office of High Speed Rail
Carman Palombo, Asset Management Council
Karen Putnam, Ombudsman/MEDC
Ted Burch, Federal Highway Administration
John Niemela, CRAM
Glen Bukoski, MITA
Doug Needham, MITA

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

Chairman Jung called the meeting to order at 9:00 a.m. in the Office of Aeronautics Auditorium in Lansing, Michigan.

I. **WELCOME**

II. **COMMISSION BUSINESS**

Joint MAC/STC Commission Minutes

Chair Jung entertained a motion for approval of the minutes from the Joint MAC/STC Meeting

held on March 22, 2012. Moved by Commissioner Hayes with support from Commissioner Atkinson to approve the minutes from the Joint MAC/STC Meeting of March 22, 2012. Motion carried.

Commission Minutes

Chair Jung entertained a motion for approval of the minutes from the Regular STC Meeting held on March 22, 2012. Moved by Commissioner Hayes with support from Commissioner Rothwell to approve the minutes from the Regular STC Meeting of March 22, 2012. Motion carried.

III. **DIRECTOR'S REPORT**

Director Steudle congratulated Jan Pohl on her upcoming retirement. He stated that Jan worked on presentations for the director and administered MDOT's TRAC program. Jan did an excellent job running the TRAC program. The program was created by AASHTO with the purpose of recruiting the best students for transportation and engineering careers and creating diversity in the workforce.

Federal Reauthorization

Senate approved reauthorization. The House passed a 90 day extension and then another that extended it through the end of the fiscal year. It is uncertain what the Senate will do.

The House measure was a 90 day extension with some environmental streamlining and changes to the revenue to get it to the conference committee, which is the next step to getting the bill approved.

Gateway Project

The director provided an update on the Gateway Project. He stated that S-32 is the connector bridge that was highlighted in commercials; however MDOT did not own the bridge until December 2011. The judge ordered that the property be transferred two years ago, but it was just transferred to MDOT in December 2011. There is a Mid-May completion date for the S-32 Bridge, which is the connector ramp back to the freeways. This was a fairly easy job, but the issue was that it was not MDOT property.

The director stated that Pier 19 was built on MDOT property, where the road was suppose to be, which was not what was agreed to. On March 8, 2012, Judge Edwards ordered MDOT to take control and finish it. The response from the Gateway team and the department was incredible. The department asked the team what needed to be done. The bridge company was ordered to put \$16 million into an account for MDOT to draw down and complete the project. This was done in 4 ½ weeks, which is remarkable. It is normally a 6-month process from hiring a design-build contractor, putting it out to bid, and then awarding the contract. All of the steps were expedited and followed all the way through.

The best news is that at the beginning of April, the bids came in at \$9.3 million, substantially less than the MDOT estimate of \$18 million.

The removal began as soon as it was awarded. As of last Sunday, demolition was started and as of Monday it was gone. The completion date for the connector for the inbound traffic from Canada that connects up to the S021 Bridge is May 20, 2012. There is an incentive on this project, using the normal formula, with a completion date of May 15, 2012. The contract is on schedule to finish by May 15, 2012.

Director Steudle opened the floor for questions.

Commissioner Hayes asked the director that with the Pier out of the way, the remaining construction stays there and is just barricaded.

Director stated that yes it is barricaded so traffic can flow onto the existing bridge. That was what was originally agreed to and designed. The columns were built in the least constrictive way for the bridge itself so traffic could move around them. The next phase of the contract is to modify the piers so there is a dedicated roadway coming in and is clearly defined and marked.

Chairman Jung stated that sometime in mid-May the flow off bridge would be completed, to keep trucks off from Fort Street. He then asked about the ramp onto the Ambassador Bridge.

Director Steudle stated the next part is to relocate the Piers/Columns and would be completed sometime in September.

Chairman Jung complimented the department on the quick turn-around.

Commissioner Atkinson stated that the website is a good site to see pictures. She complimented staff that is working on the website and stated that it is an excellent resource to get a real picture of the situation.

Director Steudle stated that MDOT is using all possible media tools to get the information out.

Update on Infrastructure Bills

Director Steudle stated the proposed 20 infrastructure bills, 17 have been introduced and two have been signed. There are 3 or 5 more that will be reported to the House floor in upcoming weeks pertaining to best practices. Revenue bills have yet to have hearings scheduled.

Chairman Jung stated that the Governor recommended \$130 million from the general fund money and the Senate or the House reduced it to \$20 million.

Director Steudle stated that both chambers are working to change it. It is a long term solution to getting money back to transportation. The budgets as they stand include that as the revenue source other than the one-time general fund money. Both chambers recognize they need money to match the federal funding.

Chairman Jung stated that Michigan charges sales tax on gasoline, the general fund actually takes a lot of money from the sale of gasoline. More money goes to the general fund rather than the roads.

Commissioner Moser stated that he hopes there is a strong appreciation for timing and strategy for moving the RTF. The revenue piece coming last is putting a lot of strain on the fiscal analyst projecting budgets and calculating tax increases.

Director Steudle stated that history has shown reforms come before the revenue. Most of the issues going forward have the reforms first with revenue following.

IV. **OVERSIGHT**

Commission Agreements (Exhibit A) – Myron Frierson

Mr. Frierson presented information on 28 agreements. Pending any questions, Mr. Frierson asked for approval of Exhibit A; none were forthcoming.

Chairman Jung entertained a motion. Motion was made by Commissioner Atkinson and supported by Commissioner Rothwell to approve Exhibit A. Motion carried on a unanimous voice vote.

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

Mr. Frierson presented information on 9 state projects and 25 local projects. For the April 6 and 9, 2012, bid lettings, 37 State projects with total engineers' estimates of \$74.6 million and total low bid dollars of \$73.1 million were let. The average low bid was \$1.98 million, and the median of \$937.7 thousand. Of the 37 State projects, 18 included warranties with the low bid total of \$47.9 million. In comparison to April of 2011, 17 State projects were let with a total engineers' estimate of \$18.0 million and total low bid dollars of \$17.7 million.

The State low bid total for fiscal year-to-date 2012 is \$392.5 million for a total of 187 projects let. Compared to the same period in fiscal year 2011, 192 State projects were let with low bids totaling \$482.1 million

The total number of bids received for the 94 projects let April 6 and 9, 2012, was 426 for an average of 4.53 bids per project. Of the 426 bids received, 119 were received for the 37 State projects for an average of 3.22 bids per project. There was (1) project postponed from the April 6, 2012, letting. Currently, all bids were rejected for (1) State trunkline project that included warranties.

For fiscal year 2012 through April, 187 State projects of \$400.6 million in total estimates were let representing 57.2% of the total number of projects anticipated to be let and 54.5% of the total cost projection. In comparison through April of 2011, 192 State projects with a total engineers' estimate of \$509.7 million were let representing 56.8% of the total number of projects anticipated in FY 2011 for this period and 62.5% of the anticipated construction cost.

The May 4, 2012, bid letting is advertising 16 State projects with a total engineers' estimate of \$14.7 million. In addition to the 16 State projects, there are 44 Local projects with \$36.9 in total engineers' estimate and 7 Aeronautics projects with \$2.1 million in engineers' estimates.

The May 11, 2012, bid letting is advertising a fixed cost variable scope State project with the low bid selection based on the highest number of roadbed miles bid. The engineer estimate is \$430.0 thousand. This project includes a warranty.

Pending any questions, Mr. Frierson asked for approval of Exhibit A-1.

Commissioner Moser asked for an explanation of a fixed cost variable scope project.

Mr. VanPortFleet stated that it is a project that has a budgeted amount and the department is trying to determine the best value it can get for the amount of money they have. They define the work that has to be done at a fixed cost and then additional work contained within the project. The contractor will then tell the department what work they can do within that budget and the one that can perform the most gets the contract. For example, the department may think 25 miles of work can be done, but then the contractors come in and say they can actually do more for that same price, etc.

Chairman Jung stated that it is a fixed price, but what is being bid out is what amount of work can be done for that amount of money.

Commissioner Moser stated that he likes that it gives the TSCs a practical tool.

Commissioner Wyett stated that there is a job in St. Louis that is being bid out this way.

Chairman Jung entertained a motion to approve. Motion was made by Commissioner Moser and supported by Commissioner Hayes to approve Exhibit A-1. Motion carried on a unanimous voice voted.

Chairman Jung asked Mr. Frierson what the percentage of the total MDOT budget is going to construction.

Mr. Frierson stated that he would like to get him a more accurate projection and show him some trends at a later date.

Chairman Jung would like to see how much actually goes to projects. He stated it would be a good metric to track.

Mr. Frierson stated debt service is looked at first. He will provide additional information at the May STC meeting.

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

Mr. VanPortFleet provided information on 3 justifications for state projects.

Pending any questions, Mr. VanPortFleet asked for approval of Exhibit A-2; none were forthcoming.

Chairman Jung entertained a motion. Motion was made by Commissioner Hayes and supported by Commissioner Moser to approve Exhibit A-2. Motion carried on a unanimous voice vote.

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

Mr. VanPortFleet provided information on 1 justification for a local project.

Pending any questions, Mr. VanPortFleet asked for approval of Exhibit Supplemental A-2.

Chairman Jung asked why the supplemental item was not included with the other A-2 items.

Mr. VanPortFleet stated that the department wanted to look at this item in more detail to see if changes could be made to reduce the costs. The department could not find any adjustments that could be made that would reduce the cost.

Commissioner Moser stated that petroleum costs drives asphalt, but asked how quickly those fluctuations it impact the prices.

Mr. VanPortFleet stated that it doesn't happen that quickly. It is monitored monthly, but impacts costs more quickly are schedules, mobility, and how to move traffic through construction.

Commissioner Atkinson asked if the department sends out guidance to engineering staff doing the estimates in terms of commodity costs or material costs. She asked if the department monitors those factors.

Mr. VanPortFleet stated that each project has a different set of circumstances. The department does monitor material costs.

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

Contract Adjustments (Exhibit B) – Brenda O'Brien

Due to Resolution 2012-3, Contract Modifications, this information does not require Commission approval

Ms. O'Brien presented information on 2 Extra and 3 Overruns for department projects that exceeded 10%. She also presented information on 8 Extra and 6 Overrun items for local

projects totaling \$55,729.66.

Ms. O'Brien discussed department project 2012-40. She stated that the project is a Safe Routes to School project and was 33% over the as bid cost. The project primarily included sidewalk, pavement markings, and signs. There was a lot of curb and gutter, including sidewalk that needed to be removed.

Commissioner Atkinson stated that when reading the text for the reason for the overruns struck her as confusing. She stated that for project 2012-18, Waverly Road/Lansing Road, what is meant by "ICRC received numerous complaints during the winter shut down of the project because the repairs of the northbound were substantially completed, except for the Lansing Road approaches." She asked if there were actually two thoughts running together and what the actual reason for the overrun was.

Ms. O'Brien stated that the project was staged over two seasons. The existing concrete pavement was in poor condition, so they decided to replace rather than repair it. Over the winter it had not been fully completed so traffic was pushed over, as they were still in the process of repairing it. She stated that the sentence leads into the extra work that was decided on in the Spring.

Mr. Cotter stated that OCA met with MDOT and that MDOT will assert to OCA that during the month that those projects and contract modifications were done effectively and efficiently. OCA will ask for additional information to support the assertion. OCA will then provide the STC with OCA's analysis of those assertions.

Chairman Jung stated that the Commission is still involved in oversight, but they are speeding up the process.

V. PRESENTATIONS

Transportation Asset Management Council 2011 Annual Report – Carmine Palombo

Mr. Palombo presented the TAMC's 2011 Annual Report. The Transportation Asset Management Council (Council) was formed under Public Act 499 of 2002 (Amended by P.A. 199) to develop a coordinated, unified process by the various roadway agencies within the state to advise the State Transportation Commission on a statewide asset management strategy. Its mission is to support excellence in managing Michigan's transportation assets by advising the Legislature and State Transportation Commission, promoting asset management principles, and providing tools, training, education, and best practices for road agencies.

Mr. Palombo stated that 2011 was an amazing year because the TAMC was tagged in the Governor's Infrastructure message, worked with the House Committee and Funding. Governor Snyder recognized that Michigan is a leader in managing our road and bridge assets with a long term vision. This is, in part, due to the efforts of the Transportation Asset Management Council. He urged the continuation and expansion of the practice as part of his vision to improve our underfunded transportation infrastructure.

Mr. Palombo reported on the TAMC's 2011 Accomplishments & Activities, the condition of the system, Bridge conditions, and forecasted system conditions. A full copy of the report presented by Mr. Palombo can be viewed on the TAMC's website located at http://www.mcgi.state.mi.us/MITRP/Council/Default_Council.aspx.

Mr. Palombo opened the floor for questions.

Commissioner Atkinson stated that she noticed that webinars are scheduled and inquired if they have been successful in the past.

Mr. Palombo stated that they have been mixed. Many times attendees cannot get to the training so the webinar is a second option.

Commissioner Atkinson stated that there are two audiences that would benefit from the training. Those doing the ratings and those that need to know what it is and how it works. Most of the webinars seem to aim at those doing the collection of data.

Mr. Palombo stated that he will look at that and take that back to the council for discussion.

Commissioner Atkinson stated that elected officials would benefit from training and asked if a webinar could be geared towards that audience.

Director Steudle stated that he attended the Spring conference and the examples that have come forward are things MDOT has already done and continue to do. The council has done tremendous things, it is solid. It is the honest broker of the data. It is relied on heavily by the Governor and Representative Olsen. The TAMC has done a great job getting the information out.

Commissioner Rothwell stated that in 1998 the state wanted to look at the roads. She is very impressed of where this has been taken.

VI. **COMMISSION COMMENTS**

VII. **PUBLIC COMMENTS**

Ms. Carolyn Grawi provided public comment. She stated that was appointed to the Complete Streets Council by Governor Snyder. Approximately two-years ago, Ms. Grawi asked for the status of a report on curb ramps/access ramps on all road projects. She thinks that report would be a great addition to the Asset Management Council's website. Ms. Grawi stated that she would like the state and municipalities to work together to avoid spending double dollars on projects.

She stated that the curb ramps, utilizing the not motorized as well as the motorized.

Director Steudle stated that MDOT would bring an update back to the STC at the May meeting to reflect the progress being made on this request.

Chairman Jung asked if it is MDOT's responsible.

Director Steudle stated that it is not MDOT's responsibility if they don't have jurisdiction over the road. The other agencies that do have jurisdiction need to ensure they are compliant with the Americans with Disabilities Act. Some do and some don't.

Ms. Grawi stated that it she would rather see a complete project, meaning sidewalk to sidewalk, not partial projects. She clarified that the report she is looking for covers all of MDOT's ramps, the ones that are MDOT's responsibility.

Chairman Jung stated that he appreciated Ms. Grawi's comments and asked for her support to encourage funding for these types of projects.

VIII. **ADJOURNMENT**

There being no further business to come before the Commission, Chairman Jung declared the meeting adjourned at 10: 37 a.m.

The next full meeting of the Michigan State Transportation Commission will be held on Thursday, May 17, 2012, in the 1st floor Office of Aeronautics Auditorium in Lansing, Michigan, commencing at the hour of 9:00 a.m.

Frank E. Raha, III
Commission Advisor