

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
October 27, 2011
Lansing, Michigan

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

Present: Ted B. Wahby, Vice Chair
Charles F. Moser, Commissioner
James S. Scalici, Commissioner
Todd A. Wyett, Commissioner

Also Present: Kirk T. Steudle, Director
Frank E. Raha, Commission Advisor
Amy Dickenson, Commission Executive Assistant
Jack Cotter, Commission Auditor, Office of Commission Audit
David Brickey, Attorney General's Office, Transportation Division
Myron Frierson, Bureau Director, Finance and Administration
Brenda O'Brien, Engineer of Construction & Technology
Laura Mester, Chief Administrative Officer
Greg Johnson, Chief Operations Officer
Barbara Hicks, Office of Communications
Matt Delong, Administrator, Real Estate Division
David Wresinski, Bureau Director, Transportation Planning
Randy Vanportfliet, Superior Region Engineer
Dee Parker, Contract Services Division Administrator
Pat Collins, Business Development Administrator

Excused: Linda Miller Atkinson, Commissioner
Jerrold M. Jung, Chair

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

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

I. COMMISSION BUSINESS

Commission Minutes

Vice Chair Wahby entertained a motion for approval of the minutes from the State Transportation Commission meeting of September 29, 2011.

Moved by Commissioner Wyett, with support from Commissioner Scalici, to approve the minutes from the State Transportation Commission meeting of September 29, 2011. Motion carried on a unanimous voice vote.

II. DIRECTOR'S REPORT

Director Steudle Reported on the Governor's Special Message on Infrastructure and gave an update on Reauthorization.

Reinventing Michigan's Infrastructure

The Governor's special message on infrastructure focused on several key points that included the need for modern and efficient transportation, better roads driving better jobs, that infrastructure is essential, the \$1.4 billion shortfall, the need for bold changes to the funding system, and that is time to seriously engage in this issue.

Transportation reforms would require road agencies to achieve best practices, reducing the number of road agencies receiving Act 51 funds, allowing any county to absorb its county road commission, and to allow the state to conduct financial audits of local road agencies.

The Governor recommended funding the \$1.4 billion that is needed to adequately maintain infrastructure, to eliminate the 19-cent per gallon state gas tax and 15 cent per gallon diesel tax by replacing it with a percentage wholesale tax on fuel. It was also recommended that the Act 51 formula be revised to link funding to road use and traffic, transitioning to the new formula over a 7-year period. It recommends the creation of a voter approved regional registration fee for local road and transit priorities and to develop Michigan as a global trade center and create an authority to build a New International Trade Crossing.

Director Steudle also stated the Governor has published his dashboard, which reflects his perspective dealing with all modes of transportation.

Reauthorization

The Senate Committee is going to consider the highway portion of reauthorization on November 9, 2011. This two-year bill would provide funding at current levels. It includes significant program consolidation and focuses more on outcomes.

House transportation leaders are looking to avert the need for big cuts by looking for new revenues.

III. RESOLUTION

Resolution of the State Transportation Commission of the State of Michigan Authorizing the Issuance and Sale of State of Michigan State Trunk Line Fund Bonds & Grant Anticipation Notes, Series 2011 – Myron Frierson

This resolution amends the prior resolution dated March 31, 2011. A project list is attached. Mr. Frierson gave an update on the status of outstanding bonds. He stated that most of the bonds would be from Blue Water Bridge Toll Revenues, instead of State Trunk Line Funds. Mr. Frierson stated that a roll call vote approving the resolution is being requested. Pending any questions, Mr. Frierson asked for approval; none were forthcoming.

Vice Chair Wahby entertained a motion to approve the Resolution. Motion was made by Commissioner Wyett and supported by Commissioner Moser to approve the resolution. Mr. Raha called the roll; motion carried on a unanimous vote.

IV. **OVERSIGHT**

Commission Agreements (Exhibit A) – Myron Frierson

Mr. Frierson provided information on 11 agreements that were presented.

Pending further questions, Mr. Frierson asked for approval of Exhibit A.

Vice Chair Wahby entertained a motion. Motion was made by Commissioner Wyett and supported by Commissioner Moser to approve Exhibit A. Motion carried on a unanimous voice vote.

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

There are 15 agreements in Exhibit A-1, pending any questions, Mr. Frierson asked for approval of the projects listed in Exhibit A-1; no questions were forthcoming.

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

Letting Exceptions Agenda (Exhibit A-2) – Brad Wieferich

Mr. Wieferich provided information on two State projects and one Local project that were over the engineers' estimates. Pending any questions, Mr. Wieferich asked for approval of Exhibit A-2; none were forthcoming.

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

Contract Adjustments (Exhibit B) – Brenda O'Brien

Ms. O'Brien provided information for one MDOT project totaling \$1,795,950 and 7 Local projects totaling \$1,922,720.08. Ms. O'Brien stated that the department is currently at 1.51 percent over the as bid cost for all projects, which is well below the 5 percent maximum allowed.

Pending any questions, Ms. O'Brien asked for approval of Exhibit B.

Commissioner Wyett asked Ms. O'Brien to explain how user delays are calculated.

Ms. O'Brien stated that additional workforce needed to bring the project back on schedule determines it.

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

V. **NOMINATION**

Local Bridge Advisory Committee Nomination – Frank E. Raha

Mr. Raha presented the Commission with the nomination of Mr. James Wonacott to the Local Bridge Advisory Committee. Mr. Wonacott will be replacing Mr. Keith Cooper. Pending any questions, Mr. Raha asked for approval of Mr. Wonacott's nomination; none were forthcoming.

Vice Chair Wahby entertained a motion. Motion was made by Commissioner Moser and supported by Commissioner Wyett to approve the nomination. Motion carried on a unanimous voice vote.

VI. **SCHEDULE**

2012 State Transportation Commission Meeting Schedule – Frank E. Raha

Mr. Raha stated that the dates for the 2012 meeting schedule have been provided and asked for an approval by the Commission.

Vice Chair Wahby entertained a motion for approval. It was moved by Commissioner Wyett, with support from Commissioner Scalici to approve the 2012 meeting schedule as submitted. The motion carried on a unanimous voice vote.

VII. **PRESENTATIONS**

Tribute to Don Stypula, Executive Director, Grand Valley Metro Council

Director Steudle introduced Mr. Stypula and honored him for the work he has done as Director of the Grand Valley Metro Council, where he will be retiring. Mr. Stypula served over eight years on the council, collaborating with the department to meet infrastructure needs. He and his staff have worked on a number of Regional Transportation Issues in the Grand Region. Director Steudle thanked Mr. Stypula for his leadership and presented him with a tribute extending the department's appreciation for the fix on I-196 and many other projects he worked on.

National Partnership of Highway Quality (NPHQ) Awards – Mr. Bob Templeton

Greg Johnson stated that the department had two projects that were recognized nationally for their success and achievement. He then introduced Mr. Bob Templeton from NPHQ to present the awards.

Mr. Templeton presented the department with two 2011 NPHQ Award plaques.

The first award, Michigan DOT's The Fix on I-196 Project in Grand Rapids, received the Platinum Level Award. The reconstruction of I-196 in downtown Grand Rapids was one of the country's most outstanding transportation projects. Mr. Templeton stated that strong regional partnerships were a key to the success of the project and recognized the regional partners for the Fix on I-196 included the City of Grand Rapids, the Grand Rapids Area Chamber of Commerce, Spectrum Health, and the Grand Valley Metro Council. The reconstructed freeway features an additional through-lane in each direction; a new weave/merge lane in each direction connecting the interchanges of Fuller, College,

and Ottawa avenues; a wider roadway; and five new bridges between the Grand River and Fuller Avenue. Mr. Templeton stated that this project is a strong example of the major commitment that Michigan DOT has to continuous improvement of the State's transportation system and to the principles that produce superior quality and customer service.

The second award received special recognition for a small project. The project was the I-94 Business Loop Reconstruction Project in Benton Harbor, Michigan. The Michigan Department of Transportation (MDOT) rebuilt nearly two miles of the I-94 Business Loop/Main Street through Benton Harbor, improving safety and traffic flow, as well as giving the city a vital economic boost. It featured the addition of bicycle lanes and dedicated on-street parking; construction of two roundabouts; complete replacement of curb and gutter, municipal water main, and sidewalks; construction of ADA compliant sidewalk ramps; and several other upgrades to the corridor and Benton Harbor's downtown. Governor Granholm recognized Benton Harbor as a City of Promise in 2006. While MDOT had been planning repairs to the downtown segment of I-94BL for several years, the added distinction from the governor and the announcement of a new major public/private development spurred substantial interest in the community and required changes to MDOT's initial project scope and timeline. MDOT engaged community leaders, citizens, and business owners in a series of meetings about the city's master plan. MDOT designed the project based on input gathered from all of these efforts. The construction team, designers, and the contractors for the I-94BL were always looking for innovative ways to improve the approach to the project whether related to costs, schedule, or quality. The result is a downtown corridor through Benton Harbor designed with local influence and vision, and a corridor that is aiding residents, leaders, and business owners to realize its distinction as a City of Promise.

Mr. Templeton concluded by announcing that the NPQH program would not be continued in the upcoming year. He has recommended that AASHTO continue this effort in the future, but that has not yet been determined.

Mr. Johnson thanked Bob for the years of service he has dedicated to the NPQH.

Fiscal Year 2010-2011 Letting Statistics – Myron Frierson

MDOT construction contracting activities during fiscal year 2010-2011:

Bid Letting

Fiscal Year 2011 held 23 lettings for 764 project let with an engineer's estimate total of \$.108 billion and low bids totaling \$1.01 billion. Of the 764 projects, 324 or 42.4% were State Trunk line. The remaining projects consisted of 404 Local, 35 Aeronautics, and 1 Freight Services.

The total dollar amount for State trunkline projects during FY 2011 was \$699.8 million of the total low bid dollars of \$1.01 billion, or 69.2%. For FY 2010, there were 411 State Trunk line projects let with total low bid amount of \$813.3 million, representing 62.6%

of the overall \$1.3 billion in low bid dollars. The low bid total of the remaining projects let during FY 2011 was \$314.2 million compared to \$485.3 million in FY 2010.

During FY 2011, MDOT received 3,886 bids from 299 different bidders for the 764 projects let of the 23 bid lettings. For FY 2010, 5,769 bids from 377 different bidders of 1,055 projects let of the 21 bid lettings held.

American Recovery and Reinvestment Act Program Reporting

For FY 2011, 16 projects were let for use of the American Recovery and Reinvestment Act Program (ARRA) funds with low bids totaling \$178.4 million. In FY 2010, 312 ARRA projects were let for a total of \$354.0 million in low bid dollars.

Rejections and Appeals

There were two low bid rejections (LBR) during FY 2011. One of the two LBR occurred because of the unbalanced bid review. One of the two low bid rejections appealed but later withdrew the appeal. There were no low bid withdrawals prior to contract award during FY 2011, and 19 projects had all bids rejected (ABR), or 2.5% of all program area projects let. Thirteen of the 19 LBRs were State Trunk line projects. One State trunk line project let received no bids.

Pre-qualification

At the end of FY 2011, 758 construction contractors were pre-qualified. Of the 758 contractors, 153 individual contractors were awarded prime contracts. Compared to fiscal year 2010, 211 individual contractors were awarded prime contracts of the 824 prequalified construction contracts. The top ten prime contractors were awarded 60.7% of the total low bid dollars during fiscal year 2011, compared to 54.6% for fiscal year 2010.

Payments

During the 2011 fiscal year, 13,811 payment vouchers were processed totaling \$1.2 billion paid to contractors, compared 14,391 payment estimates that totaled \$1.4 billion paid in 2010.

Zilwaukee Bridge CM/GC Contracting Concept – Bob Ranck and Matthew Chynoweth

Mr. Chynoweth stated that the department is planning a rehabilitation project on B03-73112, I-75 over the Saginaw River, or the Zilwaukee Bridge, that includes hinge and pier bearing replacement, latex overlay repairs, crack sealing, and barrier repairs. The project is scheduled to be let in July 2012, JN 105176.

He stated that the department is proposing to use the Construction Manager/General Contractor (CM/GC) project delivery method for this project, because the asset is specialized and complex in nature.

Mr. Ranck and Mr. Chynoweth provided the Commission with background on past construction on the bridge, leading into the current project and the need to use this type of delivery method.

A copy of the presentation is included in the official meeting file.

VIII. **PUBLIC COMMENTS**

Vice Chair Wahby asked if any member of the audience wanted to address the Commission.

There was public comment from Ms. Jessica Yorke. She encourages the Commission and department to continue their efforts and funding of the Complete Streets initiatives.

IX. **ADJOURNMENT**

There being no further business to come before the Commission, Vice Chair Wahby declared the meeting adjourned at 10:32 a.m.

The next full meeting of the Michigan State Transportation Commission will be held on Thursday, January 26, 2012, 2010, in the 1st floor Office of Aeronautics Auditorium in Lansing, Michigan, commencing at the hour of 9:00 a.m.

Frank E. Raha
Commission Advisor