

MEETING MINUTES
NCDOT / ACEC-NC / CAGC ALTERNATIVE DELIVERY SUBCOMMITTEE

Date: May 15, 2024 at 9:30 a.m.

Location: **In Person:** Century Center Bld. C – Riverwood Conference Room Col. C8 (Cap. 25)
Virtual: MS Teams

- I. Welcome and Introductions (Tim)
- II. NCDOT / NCTA Items (Tim)
 - 1. Announcements
 - a. State Construction Engineer – Troy Brooks
 - b. AD email revised to altdelivery@ncdot.gov. DB email will still work as an alias.
 - 2. NCDOT Updates
 - a. Haul Roads – There has been additional conversation about section 105-15 since last meeting. NCDOT doesn't want to change what's going on in the field but they want to have proactive conversations about haul road use before operations take place. Construction funding doesn't typically have haul road money. Maintenance doesn't have the funding for haul road repair either. Proactive conversations need to happen to avoid damage and surprises. There might be an opportunity to address haul road funding as part of construction (e.g., I-40 from Raleigh to Wilmington had off-project road resurfacing as part of the construction funding).
 - b. Electronic Bidding for DB Project (I-85) – NCDOT is moving forward. Will implement on I-85, the next project in que.
 - c. I-85 Update (I-5719/U-5800/U-6044) – Tentative advertisement is July 1st. Pre-advertisement comments received. Chief's office wants to use an 8-month procurement process. March 2025 letting. Four-month O&R process will be implemented at the beginning to meet grant allocation requirement of September 2025. NCDOT is looking at possibly de-scoping the project before advertisement because estimated cost is more than NCDOT budget. NCDOT understands this is a very tight schedule. Scoring process will be modified to include O&R, probably as its own scoring section. If there is time, may try to have another meeting with industry to communicate the process, scoring, ATCs, etc. Industry is very supportive of a pre-advertisement meeting. Optimization process will occur after the bids are received. If bids come in within 10% of estimate, no optimization will occur. Stipend adjustment is on the table considering the O&R process. The DOT is trying to get the Railroad to pre-approve an alternative before RFQ comes out to help mitigate risk.
 - d. Additional ADU Projects – Meeting at 3pm today to talk with PMU to discuss future projects. NCDOT has identified 39 projects for discussion. Bridge program projects will be included in the discussion (Projects were previously managed by SMU and are now managed by PMU). Looking at a variety of projects including bundled bridge projects for the AD to manage. Updated list will be distributed afterward. Trying to accommodate the request for multiple size projects in what will try to be a 5-year list. Also having conversations with rail unit to see if there are any rail projects that would be appropriate for AD (specifically noting projects related to the S Line). The term "express DB" is going away, but the type of project (e.g., bundled bridges) will still apply. Concerns noted from some Divisions that feel like their preferences aren't making it into the D/B or that they're not getting the "best bang for their buck" has created resistance for divisions to relinquish projects to D/B.
 - e. No Contact with Utilities prior to procurement (SL) – Firms should not contact utility companies prior to shortlisting. This is a reminder as a follow up to the email Tim sent out a few weeks ago. The purpose of this restriction is so that utility companies don't get bombarded with questions.



3. NCTA Updates - See projects update

- III. Upcoming Design-Build Projects (Anticipated DB List) (Tim)
- i. I-5718 - Preliminary Construction Estimate (PCE) updated to \$2.6B.
 - ii. I-5719/U-5800/U-6044 - July 2024 advertisement. March 2025 let date. PCE updated to \$1.15B.
 - iii. I-6016 – CMGC. PCE updated to \$36M. July 2024 advertisement. Selection by October 2024.
 - iv. I-6059 – CMGC. June 2024 advertisement. Selection September 2024. PCE updated to \$41M
 - v. R-2576 – PCE updated to \$914M. NCDOT applied for multimodal discretionary grant. October 2025 Advertisement.
 - vi. U-5307A – PCE updated to \$248M. NCTA is looking at potential tolling utilizing express lanes. February 2025 Advertisement.
 - vii. U-5518 – Aug 2027 advertisement. April 2028 let. PCE will be updated in the future.
 - viii. I-2513C – October 2028 Advertisement – Estimate \$262Million.
 - ix. I-5703/5701 May 2026 Advertisement Estimate \$244 Million.

IV. Carolina AGC Items (Victor)

1. CMGC and Progressive DB Update – Agency bill will be heard for vote this afternoon. Bill includes an increase in CMGC projects from 5 to 10 (i.e., 5 more since there are already 5 CMGCs allowed), and size increase to \$750M. PDB allowance will be 5 projects with \$500M cap. It is expected to pass. NCDOT has guidelines for PDB ready to go.
2. Risk Register – Consensus is that early use of confidential risk register would be beneficial. Question is how to incorporate into procurement process and how it would be factored into scoring. It was suggested that this is used on I-85 Gaston. NCDOT is talking to SCDOT about how their risk register process.
3. Tech Proposal Questions before Technical Presentations – If ADU provides questions in advance, it would allow teams to bring the right technical people to the interview. Especially important for “fatal flaw” issues. NCDOT thinks they can provide questions before the presentation, but it might be the day before. Might not be a comprehensive list. It is understood that ADU needs flexibility in asking additional questions that are not provided in advance.
4. Cost Escalation – Ongoing discussion regarding sharing risk of cost escalation particularly in out years. Picking the right index will be critical. There are many other related issues. Good discussion for a smaller work group.
5. Size of Projects – Projects are getting bigger and bigger. There are only so many contractors that can handle such large projects. NCDOT is hoping to add a number of smaller projects to engage more competition. Some projects are tied to grant funding and are unable to be broken up (i.e., I-85).
6. CPM Schedule Requirements – Is NCDOT getting what it expected when this was implemented a year and a half ago? It is a tool to make sure all parties are focused on critical path items. Should not be weaponized. It’s a pilot program, so need to learn from issues that crop up.
7. Optimization & Refinement Period – O&R process may be taking the place of a BAFO process on future projects. O&R process involves sitting down with the winning team to talk about ideas to cut costs. Everything is on the table. Then the apparent best value proposer enters the O&R process. Results in a negative supplemental to get contract price in range acceptable to NCDOT. There is an off ramp if costs don’t get within range. i.e. that this O&R period does not guarantee that the project will be awarded as the department will reserve the



right to withdraw the project if they can't negotiate down to a budget. O&R process timeframe of 6 months is general target for NCDOT. It will be 4 months for I-85 due to compressed procurement schedule. There is flexibility to extend if needed. Monthly stipend as a Lump Sum. Concerns were raised by D/B contractors with the respect for timing of this process and the need to obtain bonds up front.

8. Project Warranty & Extra Credit Scoring – Seeking clarity on NCDOT's interest with respect to warranty, and what is most important to maximize scoring. How does NCDOT evaluate warranty for scoring? Would NCDOT provide guidance for clarification? Ron Mccollum pointed out that warranty limits are likely to affect points the most. NCTA has a detailed provision about the warranty. Best method to improve points would be to extend standard NCTA/NCDOT warranty/coverages.
9. Bond Requirements – DOT has had conversation with the AG's office and can do a separate bond. The General Statute requires 100% Performance Bond on Construction, but the O&R process is, or should be considered as, pre-construction. The O&R period should be covered by the Bid Bond and not the performance bond. But the sticking point is that when you award the project, the Bid Bond goes away. Further investigation is needed to see how and who should approach the AG's office. No action item assigned.

V. ACEC Items

(Brian)

1. ORD Implementation – General inquiry about how migration of the 294 projects from v8i to ORD is going. Also asked if survey is completed in ORD, will NCDOT require technical proposal to be submitted in ORD, and if there are any compatibility issues from updated ORD versions. Tim requested that we send a list of questions to be addressed by those not present.
2. Railroad Flaggers – There are three RR flagging firms available. Railroad Consultants is no longer on the list, but NCRR was added.
3. Video Inspections for Hydraulically Deficient Pipes – NCDOT still wants a firm to do pipe inspection in advance of solicitation. The pipe inspection firm will not be precluded from the DB procurement.
4. Questions and Answer Process – (Jason Gorrie) Follow up on implementation. Unresolved items: 1) meeting w/ all teams concurrently, 2) timing of responses. NCDOT only plans to hold individual meetings. Timing of Q&A will involve two weeks for review and three weeks for response. This may be adjusted. Timing may be compressed if there are not so many questions. Teams can set the agenda for the meetings, for example to include Q&A and ATC discussion in the same meeting. I-85 meeting times will be extended due to the tight schedule. NCDOT is also open to additional meetings on I-85. NCDOT will post non-confidential questions. Industry suggested that NCDOT might need to set up an early ATC meeting before the Q&A meeting considering compressed schedule. NCDOT will consider posting questions as they come up to cut down on duplicate questions. There will be a Q&A meeting after each industry draft.
5. Standard Folder Structure – ADU confirmed they will use the standard folder structure on I-85, along with file naming convention. ADU will provide a draft of the folder structure to industry in advance. They will still use the NCDOT Connect site. ACEC asked if ADU could provide more information than just the filename when new files are added. ADU will look into options for providing a folder location, file path or link for new files added.
6. Traffic Modeling – Even if it's rare, it's a problem when there are only two available Level 3 firms and three shortlisted teams. ADU will consider using the traffic on-call to contract for Level 3 services outside of the shortlisted teams.
7. Risk Register – See above.
8. BAFO Process – See above.



9. Cost Estimating Accuracy – Unexpected costs at bid may happen more and more with current market conditions and escalation. This is a big challenge for NCDOT. Estimating group is looking at using a new tool and changing the process. Tim will ask them to set up a workgroup to discuss options.
10. New ACEC/NC members are rolling onto the committee next meeting. Members rolling off are Brian Banks, Kevin Bailey and Tom Wells.

VI. Next Meeting – August 13TH, 9:30AM.

(Brian)

VII. Meeting Adjourn

