

MINUTES
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, September 13, 2013
Cochise County Board of Supervisors
County Administration Building G
1415 Melody Lane
Bisbee, Arizona 85603

The Pledge of Allegiance was led by Chairman Flores.

Roll call by Board Secretary Lila Trimmer

In attendance: William Cuthbertson, Steve Christy, Deanna Beaver, Victor Flores, Kelly Anderson, Joe La Rue, and Hank Rogers - via telephone

Opening Remarks

Steve Christy gave brief remarks about the last couple of weeks that have been big transportation days in Tucson and Pima County. Tucson inaugurated the arrival of the first modern streetcar as it made its way downtown and commemorated the maintenance facility. The current Secretary of Transportation Anthony Foxx visited Tucson in a round table that ADOT staff attended and Floyd Roehrich was the key note speaker. There are seven years of regulations that were approved with only two years of funding. The PAG Regional Assembly was held yesterday and former Secretary of Transportation, Mary Peters, gave the keynote address. Mr. Christy thanked ADOT staff for attending the PAG Assembly as well as fellow Board Member Bill Cuthbertson.

Chairman Flores thanked Cochise County for the use of their facilities today. It is wonderful to be here in Bisbee.

Kelly Anderson thanked Cochise County Supervisor Ann English and Supervisor Richard Searle for the great conversation and dinner last night at Santiago's. The quality of food was the best. No ghosts were to be seen at the Copper Queen last night. It was nice to hear what is happening in Cochise County and the agricultural economy. It is the root of a resurgent dueling of the economy in the area.

Call to the Audience

Citizens addressed various issues:

1. Ann English, Cochise County Board of Supervisors, Re: welcome and appreciation for the various projects in the county.
2. Randy Heiss, executive director/SouthEastern Arizona Governments Organization (SEAGO), Re: 5-Year Plan; and policy issues that are causing a backlog of projects, i.e., environmental standards and processes in rural Arizona.
3. Leon Potter, Councilman/City of Maricopa, Re: thank you to ADOT staff and Union Pacific staff who are working on the collaboration of the right-of-way impact for the SR347 Grade Separation project.

ITEM 1: District Engineer's Report—Bill Harmon, Safford District Engineer

Bill updated the Board on details of upcoming construction projects and activities in the Safford District.

Recently Completed Projects:

- US 191 segment five; this is the last piece of the four-lane divided. This section was programmed on the corridor between I-10 and Safford. It is about half way through the corridor and we have another half to finish in the future.
- US 70 Gila River Bridge reconstruction was a great effort, thanks much to the partnership of the San Carlos Apache Tribe. It is one of the longer bridges in the State with a wide border and about 1,900 feet long.
- There are smaller pavement preservation, bridge scour, and spot safety projects in the district.

Current Construction Projects:

- I-10 SR 90, traffic interchange which is a two-year long project. It is modernizing and expanding that capacity in the interchange for the traffic between Tucson and Sierra Vista. It was a key part in making the -SR90 corridor more efficient.
- SR 90 San Pedro River Bridge reconstruction will be resumed next month. It had to be put on hold due to the presence of sensitive species.
- US 191 Cold Creek and Buzzard Roost bridges, these are emergency project to reconstruct Cold Creek Bridge due to structural damage it experienced.
- SR 92 raised medians in Sierra Vista on Buffalo Soldier Trail begins construction in August 2013.
- SR 266 Chip Seal is a preservation project.
- US 191 Sunsites to Pearce, preservation project.

Future Construction Projects

FY14

Modernization:

- I-10 San Pedro River EB and WB Bridge decks
- SR 92 Bisbee sidewalks
- Thatcher Reay Lane pathway
- Cochise County Davis Road spot improvements
- Safford Main Street improvements

Expansion:

- Douglas Chino Road Extension

Modernization and Preservation:

- Various pavement preservation and scour projects

FY15

Modernization:

- I-10 Cochise TI Westbound ramp reconstruction
- SR 92 San Pedro River Bridge reconstruction
- US 191 relation to US 70 improvements

Modernization and Safety:

- US 70 Bylas Safety and pathway improvements
- SR 80 Tombstone 3rd to 6th street improvements

Preservation:

- Various pavement preservation projects

FY16

Modernization:

- B-10 Benson San Pedro River Bridge replacement

Preservation:

-Various pavement preservation projects

US 191 Realignment at Morenci

-privately funded through Freeport McMoRan Copper & Gold

FY 15

-US 191 Shannon realignment

FY 16

-US 191 B-Hill grade separation

Pending

-US 191 Clifton to Frye realignment EIS

US 191 Clifton to Frye Trail Alternatives:

Fry Trail alternative

In-Pit

Stockpile alternative

West alternative

Existing US191

Mining and stockpile perimeter

ITEM 2: Director's Report—John S. Halikowski

Director Halikowski gave an update on the Transportation and Trade Corridor Alliance (TTCA). The Governor established the TTCA as a mechanism to provide the State with a roadmap on what things need to be done to focus and to key in on transportation infrastructure investments that will improve the State's economic togetherness.

At the PAG Regional meeting yesterday, he talked about these are not just local and regional issues Arizona is involved in anymore. They are actually globally competitive issues that we are involved in. One only needs to look to the west as in gross domestic product (GDP) of California, and to the East to the GDP in Texas, and to the south at what Forbes magazine calls the Aztec Tiger in Mexico to realize that Arizona sits in a very advantageous position to take advantage of all those economic opportunities around us.

TTCA met on August 29th in Tucson. There were more than 100 people in attendance. The meeting gave the co-chairs a first opportunity to present their industry-specific draft chapters for the TTCA roadmap. Essentially they are focusing in on areas such as Mexico and Ports of Entry; Freight, Logistics and Supply Chain Development; Trade and Economic Development; and Education and Communication. The final report will align key commerce corridors and economic development benefits to educate folks in the State as ADOT has been doing over the last three years because until we get this issue of alignment settled with our policy makers and our public that investment and infrastructure is a good thing for the economy and jobs. We cannot begin to address all the other issues that have to follow as far as funding and which projects get prioritized. So that education and alignment becomes the key critical issue.

The Director pointed out that the Board and ADOT for the past several years have been leading the charge to look at statewide solutions. On our prior presentations to the Board, the department has keyed in on over 300 business leaders in the past several years. The Director has been having talks with the legislature and policy makers throughout the state about what needs to happen with infrastructure and statewide budget debt because ADOT is going to have to overcome the regional preferences that has been the

hallmarking in the state in the past and realize that we either grow together or we stagnate apart. This is a key thing we are working on.

The next TTCA Steering Committee meeting will be in Phoenix on October 30th. The venue is still being determined. The primary focus of this meeting will be to further review TTCA Roadmap chapters and provide feedback to the co-chairs. The final chapters of the recommendations will be done by November 26. They intend to have the draft out by the end of this year and finalize the recommendations to the Governor in January 2014.

The Director next spoke about Mexico City. Two weeks ago the Director traveled to Mexico City with Margie Emmermann who is the Governor's policy advisor on Mexico and also the executive of the Arizona Mexico Commission. The Director is not the first Arizona voyager to Mexico in recent months. It is very important and significant that other Arizonans, including Mayors Rothschild and Stanton, have been in Mexico City promoting Arizona.

Our trip had a different mission. We have a very specific interest with respect to our Mexican colleagues and that was to gain understanding from folks in the central government on what their priorities are so we can plan and develop infrastructure and transportation programs that enable maximum efficiency to cross people and goods.

We communicate with our Mexican colleagues very regularly and we have to know what each other's policies and priorities are. And we learned there that they are ready for open discussion on many issues dealing with trade and the economy. It is a very practical standpoint that we both realize that we are linked together economically in Arizona and Mexico. If there are three-hour back-ups at the border, it isn't Washington DC that has to deal with the problems. It is us here in Arizona. We know what happens to trade when the system is not functioning properly. His concerns are how many international trade opportunities are we missing because of infrastructure issues. That is why we met with the Mexican federal transportation ministry. They also met with a number of high-ranking officials in the Mexican Federal Congress, and with private sector players like the National Trucking Association, Ferromex, and APL shipping, which is one of the largest shipping companies in the world. We need to understand both public and private needs in Mexico if we want to do business with our largest trading partner.

There will be a follow-up meeting that is being set up in Sonora by Deputy Manlio Fabio Beltrones, who is possibly the most important member of the Chamber of Deputies and from what the Director observed; next to the president may be the most influential politician in Mexico today. Mr. Beltrones gathered a number of senators and deputies and spent well over an hour with the group talking about issues important to both our countries. As a former Governor of Sonora, he understands what some of the issues are very well. I have no doubt that a number of problems that we brought up to Mr. Beltrones are going to begin to be addressed on commitments that they have from Mexico to do infrastructure on their side of the border.

The other thing the Director wanted to point out there has been some talk of the folks from far Texas coming into Arizona and meeting here to transport goods and cargo from Mexico to Texas. One thing he saw for sure was that we spoke to Ferromex and SCP; the entire roadway and railway system in western Mexico leads right to Nogales. We have to make sure that the multimodal transportation system in Nogales is working. It is not only important for Nogales and for Arizona, but for the international trades of both countries. There is another trip planned in November because the other thing we learned is that when you open these relationships, if you want to keep them going, you have to go back and make sure

those lines of communications are open. There will be a senate delegation coming to Nogales in the near future to talk with us about issues. All in all it was a very good trip.

The Director mentioned the department is working on modernizing the electronics at our ports of entry to increase safety and revenue. We are working heavily with free pass, the transponder system we have been involved for years. Now we are going to the next generation with electronics that we believe we can increase the state's revenue by having better computer programs and more efficient ports by getting more trucks through. We are working on that right now. We have new rules that went into effect on oversize overweight loads on September 7th. This was a long meeting with stake holders over the past several years and the oversize overweight industry to come up with the new rules and get rid of our antiquated systems. There have been a few bumps in the road that we are working out with manufactured housing industries but all in all, we are doing very well. We are bringing a new electronic system online in the next six months that these oversize overweight permits can be done electronically and without having to travel to a facility.

The Director mentioned rest area and the P3 contract and asked Floyd Roehrich to address the Board. Floyd said that next month there will be a formal agenda item and ask Gail Lewis from the P3 office to give an overview and answer any questions to the Board. Floyd mentioned that we are in the process of negotiating a P3 contract with a company called Infrastructure Corporation of America, ICA. The intent is that they are going to take over operations of rest areas. There are nineteen rest areas, and in conjunction with cleaning and operating them, they are also going to develop a sponsorship program that will be able collect revenues off of the businesses that want to sponsor rest areas and put up signage and a few other things that they are allowed to do to promote their business. With that revenue, it will help offset some of the normal operation costs. It will help pay for this contract and free up additional funds in the future to open some of the rest areas that have been closed. It will help make the necessary improvements to the rest area. This contract was written in a way that it is to modernize some of the rest areas and open the ones that are closed. They can be added into this contract. The costs associated with it. The intent is to get the first set up rest areas moved into ICA's overview by October 1. A more comprehensive overview will be provided in a future Board meeting.

***ITEM 3: Consent Agenda**

Chairman Flores pulled the Study Session Minutes dated October 2, 2012 for individual attention and asked for a separate vote of the five remaining Board members from 2012.

A motion to approve the October 2, 2012 Study Session Minutes as presented was made by Steve Christy and seconded by Kelly Anderson. Steve Christy, Victor Flores, Joe La Rue, Hank Rogers, and Kelly Anderson voted in the affirmative, the motion carries.

A motion to approve and accept the Consent Agenda's remaining items as presented was made by Deanna Beaver and seconded by Kelly Anderson. In a voice vote, the motion carries.

ITEM 4: Financial Report—Kristine Ward, Chief Financial Officer

Kristine updated the Board that the department had to revise the forecast down to \$23 million for FY14 because the FY13 revenues came in lower than expected. We are right on our revenue forecast that we made yesterday. We are green status with HURF and VLT is doing well and Use Fuel (diesel) is a little behind.

During the last meeting in July, the Governor signed a bill that had to do with the Underground Storage Tank Fund. That Underground Storage Fund is the one cent tax per gallon that is administered by ADEQ. That "leaking underground storage" fund was scheduled to sunset but it was extended by the Governor signing that bill. Once that fund reaches a certain threshold, the dollars will be going into the state highway fund for a short period of time. The short period of time lasts until December 2015. The good news is we are going to start seeing some of those revenues and almost be a complete offset to the revenue forecast that we had to diminish. We are not going to see a negative impact from those forecasts happening to come down. It is about \$2.4 million a month; we expect to get about between \$55-60 million in additional funding.

With regards to RARF, we revised revenues estimates up slightly. The forecasting growth rate in FY14 of 6% and we are seeing strong road and contracting, which is almost 17% over last year and almost 5% over forecast. RARF is doing well.

The department is preparing an annual financial report for the agency and it will be distributed in November. In putting the report together, we were looking at the earnings history for the cash invested. In 2008, there was an average invested balance of about \$1.6 billion and earned \$60 million on that invested balance. We were yielding 4.4%. Last year, we had an average invested balance of about \$1.5 billion and earned .87%. Those are dollars that flow directly into the program. This is an unfortunate impact we are experiencing.

One of the things that the department has been working on with ITD and FMS is cash not sitting around idly. We do not want it held up on projects. We want to close out projects as quickly as possible so the dollars are not sitting there. The department has been making a concerted effort of getting inactive projects active and closing projects out. Last week, the department received an email from FHWA saying that those efforts are paying off. FHWA reported it up to headquarters. In August 2012, there were 1.6% projects were inactive. Presently, we have less than .1% inactive projects. This means in 2012, that was \$11 million and now in FY13, we have less than \$783,000 of inactive projects. In addition, we have been closing out projects more quickly. In 2012, we closed 370 projects and that released \$30 million back into the program. Now in FY13, we closed 395 projects and that released \$43 million back into the program. The department is making sure that we are working efficiently and equable and making maximum utilization of those dollars.

ITEM 5: MPD Report—Scott Omer, Assistant Director, Multimodal Planning Division

Scott presented an update of the Intermountain West Corridor or I-11. Yesterday at the PAG Regional meeting there was a more extended version. This will be a brief update of where we are in the study. The corridor that has been designated as a future interstate that goes to the Nevada border and into Las Vegas and then down to Wickenburg. This corridor is what has been currently designated. We are in the third phase of the overall project, which is the feasibility and alternatives. We have developed a universe of corridor alternatives and are analyzing those alternatives and are currently scheduled to wrap this project up next summer. There was an evaluation criteria developed to go with each one of the alternatives to make sure the alternatives make sense and are feasible. So, that criteria is set up. There is a huge universe of alternatives and those will have to be screened down. At this point, we can identify any fatal flaws or anything wrong, and narrow the list of alternatives to a few. Then these alternatives have to be further screened down to a recommended alternative, which could be one, could be two, or could be three depends what the alternative turns out to be. We will get down to a much more manageable number and make the determination from there.

At this level of the planning project, we are really careful not to be too definitive. He would not be able to say the width of these corridors. There will be multiple corridors inside of the overall corridors. These corridors cover the entire state. In each one of the corridors, there are from five to seven separate alternatives that can fall within any of the connectivity sections. All of these are things we will look at and will screen and narrow down as we move forward.

The Southern Arizona Connectivity Segment in particular is pretty busy with a number of priority sections and alternatives. The Pima County proposal was presented by the county administrator as a preferred alternative. This alternative is inside the Southern Arizona alternative; we do not have that narrowed out as a single individual alternative. It falls in with our other corridors and it will be analyzed. We are not treating it any more special than any other corridor and we want to make sure we are being transparent and above water. They have done much analysis on it and we will take that and incorporate it as we move forward.

There is a stakeholder partner meeting in October and will continue to move on to wrap it up by next summer.

Discussion

Board Member Christy asked about all the alternatives that are being studied particularly in the southern sections, what impact or influence does the TTCA have on this whole scenario.

Director Halikowski answered that one of the things TTCA will be doing is looking at what key corridors are necessary for economic competitiveness. What you will see in the recommendation is that you need a north south component to be economically competitive. Arizona has the east west built, I-40 and I-10 and there are two class one railroads. Arizona is lacking the north south connection. I-19 and I-10 serves part of that but is that the best connection for the future. Is Nogales the best connection and looking at all the ports across there? What you get from the TTCA is the north south connection important and the answer to that based on studies and recommendations is yes. Then you have more definitive alternative choices. Essentially what we are trying to put together is one of the key corridors that the state needs to focus on and what needs to be prioritized. Are there folks coming up with the funding solutions for those and if all that comes together, the TTCA, the Board, the Director, none of these alone can make that lift, it really goes back to the issue of state alignment if we believe in this recommendation and we believe that economic competitiveness flows from good infrastructure then what are we as a state going to do? That will take policy leaders, and take business leaders and local government officials all coming together to say, what do we need to stay in the game, and then be on top of our game? Which are the key commerce corridors and what are we going to do to put that package together and give folks a roadmap to move forward with it.

Scott Omer added that what TTCA does it is in the corridor level and lets us know that corridor is something that is vitally important to the state. The TTCA does not do is have direct involvement on selection of an alternative. They will help us drive the overall purpose and need; we will take their information. The selection of an individual alternative is not done at that level; it is done at the project level.

***ITEM 6: Priority Planning Advisory Committee (PPAC) —Scott Omer, Assistant Director, Multimodal Planning Division**

Airports – *Items 6a and 6b

A motion to accept and approve Airports Items 6a and 6b as presented was made by Steve Christy and seconded by Kelly Anderson. In a voice vote, the motion carries.

Project Modifications – *Items 6c through Items 6v

A motion to accept and approve Project Modifications Items 6c through 6v as presented was made by Steve Christy and seconded by Bill Cuthbertson. In a voice vote, the motion carries.

New Projects – *Items 6w through 6ae

A motion to accept and approve New Projects Items 6w through 6ae was made by Kelly Anderson and seconded by Steve Christy. In a voice vote, the motion carries.

ITEM 7: State Engineer’s Report—Jennifer Toth, Deputy Director of Transportation/State Engineer

Jennifer presented the Status of Projects under Construction Report for August 2013. It shows 95 projects under construction valued at \$993.6 million. The Transportation Board awarded 14 projects during August valued at approximately \$17.2 million. During August the Department finalized 23 projects valued at \$203.9 million. Projects where the final cost exceeded the contractors bid amount by more than 5% are detailed in your Board package. Year to date we have finalized 40 projects. The total cost of these 40 projects has exceeded the contractors bid amount by 8.4%. Deducting incentive/bonus payments, revisions, omissions and additional work paid for by others, fiscal year to date reduces this percentage to 7.2%.

Jennifer stated that for the most part, we have opened up the temporary detour and we have a ribbon-cutting ceremony at the end of August. Jennifer added that she will bring back to the Board next month a more detailed presentation on the long-range project. She stated that there was a three-prong approach in terms of immediately assisting with the detour; the longer term detour route, which is completed. Now, what will be the long term project and the fix for the solution for the long term on US 89.

***ITEM 8: Construction Contracts—Jennifer Toth, Deputy Director of Transportation/State Engineer**

***ITEM 8a:** The proposed project is located in Maricopa County on the embankments between I-17 and Durango Street, beginning at MP 197.87 and continuing to MP 198.37. The proposed work includes regrading the embankment slopes between southbound I-17 and Durango Street, and between northbound I-17 and the exit ramp for 19th Avenue. Additional work includes installation of slope protection, including wire-tied riprap and decomposed granite; construction of catch basins; removal of trees and CMP planters; removal and replacement of irrigation systems, planting of new trees, and other related work.

*ITEM 8a:	BIDS OPENED: August 16, 2013	Page 286
	HIGHWAY: PHOENIX-CORDES JCT HWY (I-17)	
	SECTION: PHOENIX DURANGO CURVE	
	COUNTY: MARICOPA	
	ROUTE NO.: I-17	
	PROJ# : TRACS#: IM-017-A(233)T : 017 MA 198 H865401C	
	FUNDING: 96% FEDS 6% STATE	

LOW BIDDER: INTERMOUNTAIN WEST CIVIL CONSTRUCTORS, INC.
 LOW BID AMOUNT: \$ 642,669.00
 STATE ESTIMATE: \$ 571,930.00
 \$ OVER ESTIMATE: \$ 70,739.00
 % OVER ESTIMATE: 12.4%
 NO. OF BIDDERS: 5
 PROJECT DBE GOAL: 4.93%
 BIDDER COMMITMENT: 6.52%
 RECOMMENDATION: **AWARD**

Jennifer stated that after discussion with the contractor, the Engineer agrees that our analysis found the State's unit price for the riprap was underestimated; it is, therefore, recommended that the contract be awarded to Intermountain West Civil Constructors, Inc.

A motion to accept and approve Staff's recommendation to award Item 8a contract to INTERMOUNTAIN WEST CIVIL CONSTRUCTORS, INC. was made by Joe La Rue and seconded by Deanna Beaver. In a voice vote, the motion carries.

***ITEM 8b:** The proposed project is located in Maricopa County on I-17 and SR 303L within the City of Phoenix. The project limits along I-17 begin at SR 101L (MP 215) and extend north to Anthem Way (MP 229) and the project limits along SR 303L begin at I-17 and extend west 2 miles to 51st Avenue. The proposed work includes installation of conduit and fiber optic cables for closed circuit television cameras, overhead sign structures with dynamic message signs, loop detectors, ramp meter installations, and other related items.

***ITEM 8b:**

BIDS OPENED: August 23, 2013
 HIGHWAY: PHX-CORDES JCT HWY I-17 & SR 303L
 SECTION: I-17: SR 101L TO ANTHEM WAY and SR 303L: I-17 TO 51ST AVE
 COUNTY: MARICOPA
 ROUTE NO.: I-17, SR 303L
 PROJ# : TRACS#: CM-017-A(230)T : 017 MA 215 H844501C
 FUNDING: 94% FEDS 6% STATE
 BIDDER: Gannett Fleming Project
 Development Corporation Roadway Electric, LLC
 BID AMOUNT: \$ 5,139,065.40 \$ 6,123,128.60
 STATE ESTIMATE: \$ 4,264,152.96 \$ 4,264,152.96
 \$ OVER ESTIMATE: \$ 74,912.44 \$ 1,858,975.64
 % OVER ESTIMATE: 20.5% 43.6%
 NO. OF BIDDERS: 5 5
 RECOMMENDATION: ~~REJECT ALL BIDS~~ POSTPONE

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***ITEM 8b: COMMENTS**

Five bids were opened for this project on August 23, 2013. The Department Estimate was \$4,264,152.98. Gannett Fleming Project Development Corporation was apparent low bid at \$5,139,065.40 (20.5% above the Department), followed by Roadway Electric, LLC at \$6,123,128.60 (43.6% above the Department) and then by C S Construction, Inc., Contractors West, Inc., and G.U.Y. Construction, LLC.

Section 102.10(B)(1) of the Specifications states in part:

Proposals will be considered irregular and will be rejected ... if the ... bid bond ... is on a form other than that furnished by the Department.

The bid of Gannett Fleming must be rejected as an irregular proposal because its bid bond does not use the form provided by the Department. The form does not contain the section that identifies the project and in fact has no

means of connecting the surety bid bond with this project and raises concern about the ability of the Department to collect on this bond should it become necessary.

The four remaining bids are substantially higher than the Department estimate. Most of the difference is within items for installation of electrical conduit by trenching and directional drilling. The bid prices for those items alone range from \$2.6 to \$3.3 million, or about 3.3 to 4.1 times the Department estimate of \$800,000 for the same work. The Department estimate is consistent with prices for a similar adjacent project last year on I-17 just south of SR 101L

The plans and specifications for this project indicate that some rock material may be encountered in areas of the project north of SR 74, but do not provide any information to pinpoint the areas in question, do not quantify the extent or nature of the difficult material, and do not provide any geotechnical boring logs. Given the disparity between the Department estimate and the bid prices for trenching and directional drilling, it appears that bidders have assumed a much greater extent of rock and difficult drilling and trenching on this project than the Department assumed in its estimate.

Section 103.01 of the Specifications states in part:

The right is reserved to reject any or all proposals ... or to advertise for new proposals if, in the judgment of the Department, the best interest of the Department will be promoted thereby.

It does not serve the best interests of the Department to accept bids for trenching and drilling that range from \$1.8 to \$2.5 million more than the Department estimate when there is insufficient geotechnical information for the Department and bidders to accurately assess the difficulty, and therefore the cost, of doing that work. The only way to resolve this question and ensure that the best interests of the public are served is to reject all bids, obtain the needed geotechnical information and re-advertise the project.

The Department notified all bidders about these concerns and its recommendation in a letter sent by FAX on September 4, 2013. The Department therefore recommends that all bids be rejected and the project be re-advertised at a future date.

Jennifer stated in agenda Item 8b, the Department recommended rejection of all bids on project H844501C. The situation has changed. The Department received a protest from the apparent low bidder concerning rejection of its bid. The protest was received September 10, 2013, within the required deadline for protests. The other bidders have until September 17, 2013 to respond. The Department recommends agenda Item 8b must be postponed to the October Board meeting.

A motion to accept and approve Staff's recommendation to POSTPONE Item 8b was made by Hank Rogers and seconded by Joe La Rue. In a voice vote, the motion carries.

***ITEM 8c:** The proposed striping and signing projects are located in Maricopa and Pinal Counties in various locations. The work consists of upgrading striping in the Town of Buckeye, Queen Creek, and City of Coolidge and upgrading signing in the City of El Mirage and other related work.

***ITEM 8c:** BIDS OPENED: August 23, 2013 Page 294
LOCATION: TOWN OF QUEEN CREEK, TOWN OF BUCKEYE
CITY OF COOLIDGE, CITY OF EL MIRAGE
COUNTY: MARICOPA and PINAL
ROUTE NO.: LOCAL ROADS
PROJ# : TRACS#: HSIP-QCR-0(210)T : 0000 MA QCR SH48701C
HSIP-BKY-0(206)T : 0000 MA BKY SH48901C
HSIP-CLG-0(202)T : 0000 PN CLG SH49701C
HSIP-ELM-0(207)T : 0000 MA ELM SH54801C
FUNDING: 100% FEDS

BIDDER:	AJP Electric, Inc.	Sunline Contracting, LLC
BID AMOUNT:	\$ 394,131.35	\$ 428,977.22
STATE ESTIMATE:	\$ 536,236.10	\$ 536,236.10
\$ UNDER ESTIMATE:	(\$ 142,104.75)	(\$ 107,215.26)
% UNDER ESTIMATE:	(26.5%)	(20.0%)
NO. OF BIDDERS:	3	3
RECOMMENDATION:	POSTPONE	

***ITEM 8c: COMMENTS**

Bids were opened for this project on August 23, 2013. On August 30, 2013, the Department received a letter from the second low bidder, Sunline Contracting, LLC, protesting award to AJP Electric, Inc., the apparent low bidder. The protest claims that AJP Electric is not prequalified for the striping work in this project and cannot self-perform 40% of the work as required by the Specifications.

Under the Specifications, AJP Electric has until close of business on September 6, 2013, to respond to the protest. The Department will need time to assess both the protest of Sunline Contracting and the response of AJP Electric, if any, before making a recommendation and therefore recommends that the Board postpone action on this project until its October 11, 2013, meeting.

Jennifer stated that the bids were opened for this project on August 23, 2013. On August 30, 2013, the Department received a letter from the second low bidder, Sunline Contracting LLC., protesting award to AJP Electric, Inc., the apparent low bidder. AJP Electric has responded. The Department will need time to assess both the protest of Sunline Contracting and the response of AJP Electric before making a recommendation and therefore recommends that the Board postpone action on this project until its October 11, 2013 meeting.

A motion to accept and approve Staff's recommendation on Item 8c to POSTPONE action was made by Bill Cuthbertson and seconded by Kelly Anderson. In a voice vote, the motion carries.

***ITEM 8d:** The proposed work is located in Yavapai County, on SR 69, beginning at MP 281.05 and extending easterly to MP 292.12. The work consists of removing and installing traffic signal equipment at six traffic signal locations, maintaining traffic signals during construction, traffic control and other related work.

***ITEM 8d:** BIDS OPENED: August 16, 2013 Page 297
HIGHWAY: CORDES JCT - PRESCOTT HWY (SR 69)
SECTION: DEWEY HUMBOLDT (MP 281.05 TO PRESCOTT VALLEY MP 292.12)
COUNTY: YAVAPAI
ROUTE NO.: SR 69
PROJ# : TRACS#: HSIP-069-A(210)T : 069 YV 281 HX24201C
FUNDING: 100% FEDS
LOW BIDDER: ROADWAY ELECTRIC, LLC
LOW BID AMOUNT: \$ 168,612.50
STATE ESTIMATE: \$ 203,025.00
\$ UNDER ESTIMATE: (\$ 34,412.50)
% UNDER ESTIMATE: (16.9%)
NO. OF BIDDERS: 5
PROJECT DBE GOAL: 3.14%
BIDDER COMMITMENT: 3.77%
RECOMMENDATION: **AWARD**

Jennifer stated after contacting Roadway Electric, LLC, and the analysis showed we overestimated labor and material cost. It appears that a reasonable bid has been submitted. We, therefore, recommend award of the contract to Roadway Electric LLC.

A motion to accept and approve Staff's recommendation and award Item 8d contract to ROADWAY ELECTRIC, LLC. was made by Steve Christy and seconded by Bill Cuthbertson. In a voice vote, the motion carries.

***ITEM 8e:** The proposed project is located in Santa Cruz County on State Route 83 beginning at Milepost 11.9 and extending to Milepost 14. The work consists of pavement removal, furnishing and placing aggregate base and asphaltic concrete, drainage swale grading, pavement marking, and other related work.

***ITEM 8e:** BIDS OPENED: August 02, 2013 Page 300
HIGHWAY: PARKER CYN LAKE - MTN VIEW HWY (SR 83)
SECTION: N PARKER CANYON LAKE TO CANELO
COUNTY: SANTA CRUZ
ROUTE NO.: SR 83
PROJ# : TRACS#: STP-083-A(205)T : 083 SC 011 H850101C
FUNDING: 94% FEDS 6% STATE

	BIDDER: Granite Construction Co.	The Ashton Company, Inc. Contractors & Engineers
BID AMOUNT:	\$ 1,251,485.00	\$ 1,465,088.56
STATE ESTIMATE:	\$ 1,337,603.85	\$ 1,337,603.85
\$ Under/Over Estimate:	(\$ 86,118.85)	\$ 127,484.71
% Under/Over Estimate:	(6.4%)	9.5%
NO. OF BIDDERS:	4	4

RECOMMENDATION: **REJECT ALL BIDS**

***ITEM 8e: COMMENTS**

During review of bids received on this project, the Department found that the plans and specifications do not adequately portray the intent of the work to be done or the traffic control concept to be used. For example, the existing pavement structural section is not adequate for a 4" milling depth as required by the plans. Further, the new pavement section creates a 3" drop-off between new and old sections of roadway, creating a safety issue during construction. In addition, the plans call for two lane two-way traffic to be provided on nights and weekends, but the special provisions call for temporary traffic signals to maintain alternating one-way traffic in a single lane during those times.

The result is that bidders had no clear direction as to what was intended or how to bid certain items on this project. This raises concerns as to whether the bidding was on a common basis as required by statute and whether there was adequate competition for the project.

Subsection 103.01 of the Specifications states in part:

The right is reserved to reject any or all proposals ... or to advertise for new proposals if, in the judgment of the Department, the best interests of the Department will be promoted thereby.

It does not serve the best interests of the Department or bidders to proceed with award because the bid documents do not adequately portray the intended work or the traffic control concept to be used.

Jenifer stated that during review of the bids received on this project, the Department found that the plans and specifications had conflicting information. For example, the plans call for two-lane, two-way traffic to be provided on nights and weekends, but the special provisions call for temporary traffic signals to maintain alternating one-way traffic in a single lane during those times. In addition, the new pavement section creates a 3" drop-off between new sections of roadway, creating a safety issue during construction. The result is that bidders had no clear direction as to what was intended or how to bid

certain items on this project. This raises concerns as to whether the contractors were bidding on the same job.

The Department notified all bidders about these concerns in a letter sent by FAX on August 27, 2013, and noted that the Department would recommend rejection of all bids and re-advertise the project at a future date. No protests were received concerning the Department's recommendation and the deadline for filing any protest has passed. The Department therefore recommends rejection of all bids on this project.

A motion to accept and approve Staff's recommendation on Item 8e to REJECT ALL BIDS was made by Steve Christy and seconded by Hank Rogers. In a voice vote, the motion carries.

***ITEM 8f:** The proposed work is located in Yavapai County. The work includes the reconstruction of the Southwest corner of SR 89A and SR 260, at approximate SR 89A Milepost 355.20. The work consists of removal and replacement of Portland Cement Concrete Pavement, curb & gutter, sidewalk, relocation and replacement of existing traffic signals, signing, pavement markings, and other related work.

***ITEM 8f:** BIDS OPENED: August 02, 2013 Page 304
HIGHWAY: PRESCOTT-FLAGSTAFF HWY (SR 89A)
SECTION: INTERSECTION AT SR 89A & SR 260
COUNTY: YAVAPAI
ROUTE NO.: SR 89A
PROJ# : TRACS#: NH-EB-A89-A(208)T : YV 353 H830101C
FUNDING: 94% FEDS 6% STATE
LOW BIDDER: STANDARD CONSTRUCTION COMPANY, INC.
LOW BID AMOUNT: \$ 148,289.05
STATE ESTIMATE: \$ 127,077.60
\$ OVER ESTIMATE: \$ 21,211.45
% OVER ESTIMATE: 16.7%
NO. OF BIDDERS: 5
PROJECT DBE GOAL: 3.38%
BIDDER COMMITMENT: 3.85%
RECOMMENDATION: **AWARD**

Jennifer stated additional mobilization cost from the low bidder that was not considered by ADOT was for the Type W traffic signal mast arm. The traffic signal pole is 30 foot in length but the traffic signal mast arm or the Type W Pole is 65 foot in length. Mr. Steve Sutton of Standard Construction Company Inc. stated that hauling this length of pole would require a special expansible trailer, a pilot truck and driver and a special permit, which would be about 2/3 more costly than using a conventional length truck. Based on the above information and analysis it appears that a reasonable bid has been submitted. We therefore recommend award of the contract to Standard Construction Company INC.

A motion to accept and approve Staff's recommendation to award Item 8f contract to STANDARD CONSTRUCTION COMPANY, INC. was made by Kelly Anderson and seconded by Joe La Rue. In a voice vote, the motion carries.

***ITEM 8g:** The proposed work is located in Santa Cruz County on SR 189 between mileposts 0.00 and 3.75. The work consists of constructing left turn lanes, installing Department Furnished traffic signal equipment, installing a microwave communication system, placing Portland cement concrete pavement, installing sidewalk and curb and gutter, signing, pavement markings, and other miscellaneous work.

***ITEM 8g:**

BIDS OPENED: August 23, 2013
HIGHWAY: NOGALES PRIMARY CONNECTION
SECTION: SR 189, MARIPOSA ROAD AND I-19
COUNTY: SANTA CRUZ
ROUTE NO.: SR 189
PROJ# : TRACS#: 189-A-NFA : 189 SC 000 H866001C
FUNDING: 100% STATE
LOW BIDDER: AJP ELECTRIC, INC.
LOW BID AMOUNT: \$ 548,754.50
STATE ESTIMATE: \$ 413,760.75
\$ OVER ESTIMATE: \$ 134,993.75
% OVER ESTIMATE: 32.6%
NO. OF BIDDERS: 2
PROJECT DBE GOAL: NONE
BIDDER COMMITMENT: NA
RECOMMENDATION: **AWARD**

Jennifer stated the State's estimate for this work was estimated as though the PCCP work was straightforward and not a piecemeal work. The price is higher. We underestimated the cost of the conductors and how often they would have to remobilize in order to do the work. It is recommended that the contract be awarded to AJP Electric, Inc.

A motion to accept and approve Staff's recommendation to award Item 8g contract to AJP ELECTRIC, INC. was made by Bill Cuthbertson and seconded by Kelly Anderson. In a voice vote, the motion carries.

ITEM 9: Suggestions

None at this time.

Adjournment

A motion to adjourn was made by Kelly Anderson and seconded by Steve Christy. In a voice vote, the motion carries.

Meeting adjourned 10:15 A.M. MST



Victor Flores, Chairman
State Transportation Board

for 

John S. Halikowski, Director
Arizona Department of Transportation