

ACEC-SC / SCDOT Partnering Committee Meeting

March 5, 2020

SCDOT HQ

Call to order: Called to order at 10:04 AM. David Taylor welcomed everyone. Participants introduced themselves: Randy Roberts, Petrina Butler, Brice Urquhart, Renee Tison, Shawn Epps, Mark Lester, Mike Hood, Leah Quattlebaum, Brooks Bickley, Chad Lucas, Alex Bent, Tameika Bostic, Phillip Hutcherson, Rob Bedenbaugh, Burt Shumpert, Besty McCall, Mike Barbee, Bradley Cain, Tony Cooper, Leland Colvin, Darrin Player, John Boylston, Ladd Gibson, Justin Powell, David Taylor, Robbie Givens, Nick Pizzuti, Matt Lifsey, Chris Gaskins, Adam Jones, and Matteah Taylor.

After introduction, Co-Chairs David Taylor and John Boylston said the minutes had been distributed. A motion was made by Boylston, seconded by Butler, and passed to approve the Partnering Committee Minutes from November 15, 2019.

Co-Chair John Boylston, PE, turned the meeting over to Deputy Secretaries Leland Colvin and Justin Powell.

SCDOT Update: Deputy Secretary for Engineering Leland Colvin, thanked everyone for the partnership between SCDOT and ACEC-SC. He reported SCDOT is on track in the use of the motor fuel user fee increase. The South Carolina House of Representatives has budgeted \$77 million dollars in its version of the SC Budget, for expediting paving projects and repairs. There is another \$23 Million going to County Transportation Committees.

Colvin mentioned the Senate Committee reconvened the summer of 2019 to address widening interstates. He spoke about the \$115 Million that should come to SCDOT when the gas tax refund sunsets. SCDOT is already planning to use these funds on rural interstates. This is expected to be started in the 2023 timeframe.

ACEC-SC Executive Directors Report:

Legislative Report:

- ACEC-SC is tracking 55 pieces of legislation
- ACEC-SC having the Designer Fair Contracting Act introduced in the Senate
 - ACEC-SC feels it is unfair to indemnify/defend actions taken by third parties, out of their scope of practice, or actions they have been found not negligent of
 - This legislation would fix this situation.
- SC Frivolous Proceedings Sanctions Act
 - ACEC-SC is pursuing legislation to extend protections for PEs to firms with a COA.
- Roads receive large one-time money in Budget from The House Ways & Means Committee
 - One time \$100 Million Infusion to accelerate paving on farm to market (secondary) roads

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- \$77 Million to SCDOT to “expedite paving projects and repairs around the state”
- \$23 Million to County Transportation Committees (\$500,000 to each CTC) to expedite paving projects
- Fair Share Bill (H.3758)
 - Has had two hearings
 - ACEC-SC Testified in support
 - Trial Bar testified in opposition
 - Amendments to come
- QBS & Right of Entry
 - ACEC-SC is planning to re-introduce QBS to include political subdivisions
 - ACEC-SC is planning on introducing right of entry legislation
- HR 4687 “SMART Infrastructure Act”
 - Plastic Pipe Bill in Congress
 - Rep. Ralph Norman (SC 5th District) is a co-sponsor
 - ACEC-SC will write a letter of opposition and ask him to take his name off the bill

Winter Meeting:

- Jones Thanks SCDOT for having Chad Long speak at Winter Meeting

SC Engineering Conference & Trade Show:

- June 11-13, 2020
 - Embassy Suites North Charleston & Convention Center
 - Room blocks are open
 - Dinner cruise on June 11, 2020

Colvin asked Jones to send him information on HR 4687.

Colvin asked if SCDOT would have an issue with QBS language. Jones said he did not think so, as it was the same language that was introduced in 2015.

Professional Service Report: Co-Chair David Taylor, Stantec, addressed “two-tier selection” He reported ACEC-SC has not taken a position on two-tier at this point. The ACEC-SC Board supports SCDOT efforts in using QBS selection. ACEC-SC will continue to monitor “two-tier” as it rolls out, and thanked SCDOT for taking feedback from the membership and making some adjustments already. Taylor said ACEC-SC had distributed the information provided by SCDOT from the Winter Meeting to the membership.

Deputy Secretary Colvin reiterated that it is a partnership with ACEC-SC & SCDOT. He said SCDOT could not deliver its program without it’s industry partners. He explained that the General Assembly took a risk on passing the motor fuel user fee increase. SCDOT is getting flak

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from the media saying SCDOT is not able to perform but stated SCDOT is ahead of where they expected to be.

Powell explained, professional services work is not going to be low bid, so SCDOT's objective is to make QBS selections as objectively as possible. The goal is to get rid of subjectivity of the selection process. He acknowledged SCDOT may not fully understand the industry perspective on what SCDOT is hoping to do when making this an objective decision.

They will look at it again in one year. They'll look at ACEC-SC to for feedback. He reported this was a priority of Secretary Hall. FHWA/Legal shop has signed off on the procedure.

Co-Chair David Taylor said ACEC-SC is concerned about unintended consequences resulting from the policy change. So good to know a review policy is in place.

Colvin asked if there were any more questions.

Matt Lifsey gave a brief disclaimer. He stated when someone asks a question in the meeting it is to represent the ACEC-SC the membership, not the individual or the firm they represent. Q&A summary follows with responses from SCDOT leadership

- Q: Will the RFP reflect the scoring criteria?
 - A: It will tell you what the workload criteria will be. Same criteria now, but we're adding one.
- Q: Will proposers still include narrative in the proposal that says describes staff availability?
 - A: Yes, in the technical response section.
 - A: Narrative would still be used for key personnel.
- Q: Do we know, when the two-tier system will be implemented? Will the next advertisement have it?
 - A: The next group of proposals will reflect the current one-tier system. Basically, any project already approved by FHWA will follow current guidelines.
 - A: Advertisements beyond that point will include a two-tier approach.
- Q: Concerning the equation that SCDOT is using (presented on December 3), what parameters are being used in the formula, how will the formula be applied? Can you clarify how the equation works, what feeds into it, etc.?
 - A: A few points were provided through interactive discussion and paraphrased here:
 - For this evaluation, SCDOT considers Workload Capacity is inversely proportional to "Active Workload", regardless of firm size.

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- The basic equation is $\text{Active Workload} = \text{Awarded Contract Value} + \text{DOT estimate of awarded work not yet contracted} - \text{Contract Value Invoiced}$
 - The calculation is performed for each project and the “score” assigned to the Prime firm for the contract.
 - It was recognized some contract work is performed by sub-contractors, and most Primes perform work as subcontractors on other contractors. DOT investigated subtracting sub-assigned portion from some test cases and adding in work-as-sub for those test firms. Found it to be a wash, and difficult to extract the data due to system limitations. Therefore, as satisfied outcome with simpler approach will be the same, plans to use simpler approach.
 - There will be distinction between project types. Colvin noted that there will be two “buckets” – one for design contracts and one for CEI projects. The bucket used will be the one appropriate for the contract being advertised. *(Note: In discussions following the meeting, Player indicated the number of “buckets” was still being refined – could be one more for maintenance/inspection type projects and possibly others.)*
 - Remaining values will be used for all open projects, including ones completed and waiting to be closed or those on hold.
 - The second tier “scoring points” that applies to each advertisement will be shown in the RFP. DOT will investigate ways to incorporate the anticipated risk level into the pending projects list to assist industry in pursuit and teaming decisions.
 - The second-tier weighting relates to risk, which relates to dollar value of the project. High dollar value projects will have higher emphasis on first-tier criteria. Lower value projects will have a higher second-tier weighting.
 - Goal is that combination of first and second tier scoring will be weighted to ensure firms technically capable of executing a particular project will be the one selected
- Q: Do you have the project value “brackets” defined with the associated scoring values assigned?
 - A: Player: Yes
 - Q: Will you release that information to industry?
 - A: Player: no

Following discussion where ACEC-SC noted a point summarized as the second tier evaluation is a measurement of backlog rather than workload capacity that would rank a 2-person firm with no SCDOT work but little actual capacity higher than a large firm with significant backlog but still more capacity available. Colvin explained, the difference between a 200-person firm vs 40-

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person firm and their capacity to take on a larger project would be recognized from the combine scoring of the two tiers. He acknowledged that there are a lot of ways to define capacity and workload, but this is how SCDOT has decided to define it based partially on the limits of available data.

- Do you envision the two-tier approach is a long-term plan, or is it to meet a short-term object and then will be phased out ?
 - Colvin noted one of Secretary Hall's favorite quotes attributed to Mark Twain: "Continuous improvement is better than delayed perfection." SCDOT will continue to look at this program and will come back here in a year and report back. Colvin stated he thought the procurement folks will continue to refine the process. He didn't think it will go away completely, as SCDOT is trying to make selections as objective as possible.

Colvin said the most questions he has heard from the industry outside ACEC-SC is about upcoming on-calls. The process for on-calls will be:

- Initial selection of on-call firms will have a two-tier criterion in the RFP. Probably, this will be a low value of 5%, 10% etc. for the initial selection.
 - Once a firm is selected to the on-call list, each task assignment will use the two-tier criteria with the second-tier percentage set based on the risk of the project (cost/complexity).
 - The whole dollar value of the on-call contract will not be included in the prime's workload capacity calculation, but only the dollar value of each assigned task
- Does that mean that upon the award of the main on-call contract, selected firms will have zero dollars assigned to its workload capacity formula?
 - Yes

Average Overhead: DOT announced no changes to the Average Overhead proposal since the Winter meeting presentation. Some may like it some may not. There was another Q&A session conducted, summarized below:

- Q: This is a similar question as for the two-tier proposal. How are the averages are being calculated?
 - A: Player noted that for design work, office O/H rate average will be used. For CEI work field O/H rate average will be used. Average is for all firms doing business with SCDOT, excluding those with Safe Harbor O/H rates.
- Q: How will it work for firms with a single blended O/H rate?
 - A: For design work, the blended O/H rate will be averaged with home office O/H rate. SCDOT believes blended rate and office rate will be similar.

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- Player noted, that however it is calculated, the fixed fee is a negotiated item, so may vary as a percentage from one project to another.
- Q: What are current values?
 - A: We do not have the average for 2018. In the past, it has been consistently around 165%. We are predicting around 164%-165% for 2018 for office O/H and 124% or so for field O/H rate.
- Q: Will the calculation be the average or the mean?
 - Average

Carolina Crossroads Update: SCDOT's Ladd Gibson said not much has changed since the last meeting.

- Crossroads will be done in Phases.
- Website up to date
- Phase 1 is being completed
- Phase 2 is looking at a start date of July 2020
- Phase 3 & 4: Bid/Build

Working hard on right of way acquisitions.

SCDOT's Randall Young reported that Ladd Gibson is leaving SCDOT. This is his last meeting on as Head of Megaprojects. He was thanked on behalf of SCDOT for his hard work.

Standing Committee Reports:

Design Build Subcommittee: Chris Gaskins started saying there are two new members on the Committee from AGC (Dave Rankin with Lane and Lee Bradley with Sloan).

Gaskins said there are 12 projects coming out.

- A combined (2 bridge) emergency Bridge Project is coming out.
- Interstate 77 Panthers Interchange Project
 - On hold
- Carolina Crossroads Phase 1 – Colonial Life Blvd at I-126
 - RFQ out 4/1/2020
- Carolina Crossroads Phase 2 – Broad River Rd. at I-20
 - July 2020
- Carolina Crossroads Phase 3 - I-20/26/126 interchanges, St. Andrews, Bush River I-20
 - 2022
- Closed & Load Restricted Bridge Replacement Package 2 District 4
 - Q4 2020

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- Mark Clark Expressway
 - 2022 or beyond
- Low Country Corridor
 - 2022 or beyond
- I-20 EB & WB over Wateree River & Swamp Overflow Bridge Replacement
 - On hold
- I-26 over Southern Railway Bridge Replacement and I-26 over US 1 Interchange Improvements
 - On hold
- I-26 over SC 302 Interchange Improvements
 - On hold
- I-85 Widening from Near SC 153/Exit 40 to Near SC 85/Exit 69

Gaskins mention I-95 from the boarder to mile marker 8 to see if DB can be used. He said they are looking at Right of Way acquisition. SCDOT is writing it so DB acquires Right of Way and SCDOT Pays for it.

- Right of way liaison, Robbie Givens.

Other topics they are looking at:

- Can someone who participated on IQF and Design.
 - Their thought is yes, they can.
- Hail Mary ATC (Alternative Technical Concept)
- Technical Proposal Commitment
 - Design optimization vs. cost sharing
- If it is shown in a technical proposal it can't be changed without approval
 - If you change you may not get cost sharing.
- Multiple Project PM Responsibilities.
 - Requiring PM on the project

Next meeting 3/18/2020

Midlevel Designers Group: Phillip Hutcherson, HDR, reports from 2/5/2020.

- Topic was Bridge load ratings
- Largest turn out.
 - 90 folks (half & half).
- Next meeting early to mid-May.

Other Business:

- ACEC-SC/SCDOT Subcommittee Organizational Chart has been updated by ACEC-SC
 - SCDOT will get the committee those names
- Highway Engineers Conference is April 7th & 8th, 2020.
- Expected sessions are:
 - Operation and safety updates

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- OGFC
- Wando Bridge: several updates on projects, public involvement.
- Low-Country corridor
- Update on rural interstate plan
- Utility Bill.
- Possibly more Q&A on two-tier

The meeting adjourned at 11:45 AM. The next meeting is May 28, 2020 at SCDOT HQ at 10:00AM.

DRAFT