

ACEC / NCDOT JOINT SUBCOMMITTEE ON CONSTRUCTION & MATERIALS

July 27, 2022

Meeting Minutes

The meeting was held on April 27, 2022 at 1:30 PM; both an in-person and a virtual Teams Meeting option were offered. In attendance were:

NAME	REPRESENTING	EMAIL ADDRESS
Brandon Whitaker	S&ME	bwhitaker@smeinc.com
Phillip Johnson	KCI	phillip.johnson@kci.com
Christine Goins	RK&K	cgoins@rkk.com
Frank Gioscio	ESP Associates	fgioscio@espassociates.com
Kevin O'Dell	Summit	kevin.odell@summitde.com
Jack Cowsert	ECS Limited	jcowsert@ecslimited.com
Todd Whittington	NCDOT – Materials and Tests Unit	twhittington@ncdot.gov
Brian Hunter	NCDOT – Materials and Tests Unit	bhunter@ncdot.gov
Jim Swayer	NCDOT – Materials and Tests Unit	jswayer@ncdot.gov
Boyd Tharrington	NCDOT – Construction Unit	btharrington@ncdot.gov
Maira Ibarra	NCDOT – Construction Unit	mibarra@ncdot.gov
Michelle Gaddy	NCDOT – Construction Unit	mhgaddy@ncdot.gov
Wiley Jones	NCDOT – Construction Unit	wwjones1@ncdot.gov
Brian Skeens	NCDOT – Construction Unit	bcskeens@ncdot.gov
Jason Salisbury	NCDOT – Division 6	jsalisbury@ncdot.gov
Thomas Payne	NCDOT – PSMU	tpayne@ncdot.gov
Robert Stroup	NCDOT – PSMU	rjstroup@ncdot.gov
Josh Johnson	NCDOT - Intern	

[ACEC Subcommittee Business](#)

Minutes from the April 27, 2022 meeting were approved. The committee welcomed Brandon Whitaker and Philip Johnson to the group and thanked Michael Davis and Jamal Atkins for their past work.

[Training](#)

- M&T Training Updates
 - Current classes have been proceeding as expected with a slight decline in enrollment.
 - The schedule for the October thru December classes will be posted in early September.
 - M&T asked to be notified of any special needs and they would help in any way they can.
 - Geo Tech training was discussed. The group was advised that they would prefer to provide the Geotech Essentials training on an as needed basis. The enrollment process is still being worked on between M&T and Geo Tech

Discussion Items

- Fixed Billable Rates
 - The industry put together a draft Fixed Billable Rate proposal, based on the method utilized by South Carolina. The information was sent out to all the member firms for review and comments. Fourteen firms responded. The industry's comments are in the process of being summarized and will be sent out to the industry group for further review and discussions.
 - A majority of the responses were not in favor of the proposed process, but it did generate additional questions.
 - How would overhead rates be determined for individual firms and how would they be utilized?
 - How would Technician Rates be determined? Per firm? Industry wide?
 - Addressing the Overhead Rate question, DOT estimated the straight average Field overhead of On-Call firms to be 129%. The weighted average Field overhead rate of On-Call firms is 130%. NCDOT would like to utilize 130% for the purpose of a Fixed Billable Rate system, awaiting OIG's response on a final direction. Further review and consideration will be necessary to solidify these numbers
 - South Carolina groups all PEFs together when computing their average overhead rate, not just CEI firms.
 - Addressing the Technician Rate question, the DOT is considering determining these rates on a per firm basis. They have been in communication with South Carolina learning how they handle this aspect. SC uses a CRS type system for techs to monitor their Tech rates. The pros and cons of the rate determinations were discussed.
 - In summary, the DOT is not pushing for this change but is willing to work with the industry if a better process is realized. If necessary, the proposed process may be evaluated utilizing historic information. At this time, it does not seem necessary to do a pilot project.
 - Jamal Atkins has offered to continue to lead this initiative.
- Annual Technician Rate Adjustment
 - Based on a Market Analysis there will be a 2.5% rate increase in the Technician rate.
 - The market analysis is based on Bureau of Labor statistics, US Mean Average for technicians from May of 2020 to May of 2021. The information was published in March of 2022.
 - A memo will be sent out soon establishing the increase, which will be retroactive to July 1, 2022.
- Truck Reimbursement Re-evaluation
 - The last evaluation was performed in December 2021. The next evaluation is scheduled for December of 2023.

- The DOT has reviewed and acknowledges the recent increase in truck costs. Currently they are not in a position to assist in the cost escalation. They advised they will continue to discuss and explore way to offset the addition costs. Possibly, a one-time, one-year interim monthly rate adjustment can be performed in December 2022.
- Long term Project Specific monthly truck rates will be considered for an increase after the contract time frame has been exceeded.
- The DOT advised that the Material Price Escalation initiative is for the sole purpose of assisting the construction industry with the increase construction material costs.
- Discussed the Mileage rate increase. NCDOT provides these updates to the industry as soon as possible; it was noted they must first be approved by OIG before a memo is released, which is why they are issued mid-month.

- CEI Intern Training
 - Firms would possibly start recruiting in the Fall and Spring.
 - The DOT Divisions are interested. The Divisions will be surveyed periodically to determine their need. The goal maybe two or three Interns per Division.
 - Resumes will be submitted to Divisions based on the surveyed need.
 - The process/guidelines need to be finalized.
 - Note that NCDOT requires candidates have 24 hours of course credits in an engineering program to qualify as an intern.

- Workload Projections
 - There will be an effort to provide projections annually, published in January.
 - Discussed the importance of the industry knowing what projects are upcoming and if they are project specific or on call. This info will allow the industry an opportunity to better serve.
 - DOT will reach out to the Division to gather updated project information.
 - DOT advised that the size of the Project, contract dollar amount and duration are factors in determining if a project will be specific or on call. The Divisions have the options of packaging small projects to create Project Specific contracts.
 - The US 70 Improvements from Thurman Road to the Havelock Bypass, R-5777C has been moved to Fall 2022 – early Spring 2023.
 - A list of anticipated CEI project-specific advertisements can be found at the following link:
<https://connect.ncdot.gov/letting/ProfessionalServices/Pages/anticipatedadverts.aspx>

- Covid-19 Update
 - No Change

- Financial Status
 - Overall the DOT Finances are good
 - Sale Tax Transfer from the General Fund to the Transportation Fund will be occurring annually for the next 3 years.
 - Year 1 - \$200 million
 - Year 2 - \$400 million
 - Year 3- \$625 million
 - The recently update STIP could be revisited due to these additional funds.
 - Over the next 12 months, Central lettings will be 1.9 billion dollars
 - In 2022, \$1.5 billion have been let to-date. NCDOT expects to have let \$3 billion by 12/31/2022.
 - Bridge Projects are a primary recipient of IIJA funding; therefore, Divisions will continue to have need for structure inspectors.
- What can the industry do better?
 - Continue to develop talent
 - Discussed the creating a Workforce Development Group; NCDOT is interested in this initiative as it will benefit all facets of the industry (NCDOT, PEFs and Contractors)

Next NCDOT/ACEC Meeting: October 26, 2022 at 1:30 pm.