

REGULAR MEETING OF THE IDAHO TRANSPORTATION BOARD

January 17, 2018

The Idaho Transportation Board convened at 8:35 AM on Wednesday, January 17, 2018 at the Idaho Transportation Department in Boise, Idaho. The following principals were present:

Jerry Whitehead, Chairman
Jim Coleman, Member – District 1
Janice B. Vassar, Member – District 2
Julie DeLorenzo, Member – District 3
Jim Kempton, Member – District 4
Dwight Horsch, Member – District 5
Brian W. Ness, Director
Scott Stokes, Chief Deputy
Larry Allen, Lead Deputy Attorney General
Sue S. Higgins, Executive Assistant and Secretary to the Board

Board Minutes. Member Coleman made a motion to approve the minutes of the special Board meeting held on December 7, 2017 and the minutes of the regular Board meeting held on December 14, 2017 as submitted. Member Vassar seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:

February 21, 2018 – Boise
March 14-15, 2018 – Boise
April 18-19, 2018 – District 2

Consent Items. Member DeLorenzo made a motion, seconded by Member Horsch, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, consent calendar items are to be routine, non-controversial, self-
ITB18-01 explanatory items that can be approved in one motion; and

WHEREAS, Idaho Transportation Board members have the prerogative to remove items from the consent calendar for questions or discussion.

NOW THEREFORE BE IT RESOLVED, that the Board approves the Trucking Advisory Council membership appointment; the addition of SH-29, Bridge over Eighteen Mile Creek, Lemhi County to FY18; advancing US-20B, Stockham and US-20B Roundabout, Rigby to FY19; I-90, Northwest Boulevard to Sherman, Kootenai County; contracts for award; and a contract for rejection.

1) Trucking Advisory Council (TAC) Membership Appointment. Staff recommends re-appointing John Pocock as chairman of the TAC, Frank Buell to represent District 1, Kevin Iversen to represent District 4, and Heath Treasure to represent District 6. All four re-appointments are for a term from January 2018 through December 31, 2020.

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2) Add SH-29, Bridge over Eighteen Mile Creek, Lemhi County to FY18. District 6 requests the addition of the SH-29, Bridge over Eighteen Mile Creek project to FY18 for \$130,000. The project will provide inspection and engineering for the bridge being advertised by the Idaho Department of Fish and Game. The total project cost is estimated between \$400,000 and \$500,000. ITD will enter into a cooperative agreement to transfer \$80,000 to Idaho Fish and Game for preliminary and construction engineering. The District will provide inspection at an estimated cost of \$50,000. Funding for the project would come from District program savings.

3) Advance US-20B, Stockham and US-20B Roundabout, Rigby to FY19. Due to a public/private partnership between ITD, the City of Rigby, and an adjacent landowner, staff requests advancing construction of the US-20B, Stockham and US-20B Roundabout, key #20746 project to FY19. Funding to cover the \$1.1 million project in FY19 will come from the District's program balance.

4) I-90, Northwest Boulevard to Sherman, Kootenai County. HMH LLC was selected to perform construction engineering, inspection, and sampling services in two phases for the I-90, Northwest Boulevard to Sherman, Kootenai County project, key #19002. Phase 1 was completed for \$592,460. Phase 2 is expected to cost around \$1.1 million. Staff requests approval to exceed the \$1 million consultant agreement limit for this I-90 project.

5) Contracts for Award. The low bids on the following projects were more than ten percent over the engineer's estimate, requiring justification. The biggest cost difference between the engineer's estimate and low bid on key #18806 - SH-97, Coeur d'Alene River Bridge, Kootenai County, District 1 were in the Approach Slab and Mobilization items. Staff believes the small quantity of the bid items, the short amount of time it will take to complete the project, the location of the project, and the approach slab requirement for additional concrete and rebar compared to a standard approach slab resulted in the higher bids. There was no evidence of bid manipulation. Staff does not believe significant cost savings would be realized if the project was modified and re-bid, so recommends awarding the contract. Low bidder: Wesslen Construction - \$880,333.

The Resealing Concrete Pavement Joints, Concrete Slab Replacement, Grind Concrete Pavement, and Mobilization items accounted for the majority of difference between the engineer's estimate and low bid on key #18777 – US-95, Lewiston and Moscow Concrete Grinding, District 2. Staff believes the contractor's unit prices are competitive because the three low bidders were within 6%. The project was advertised in April 2017 and only one bid, which was 86% above the engineer's estimate, was received and rejected. Staff recommends awarding this contract. Low bidder: Acme Concrete Paving, Inc. - \$1,119,742.

The major differences in the engineer's estimate versus the low bid on key #19917 – SH-46, US-30 to Ken Curtis Bridge, Twin Falls County, District 4, were in the Superpave and box culvert items; although many items had an increase in price due to the small quantity. The Superpave item was presumably bid higher due to the market value of the oil and the haul costs. The District does not believe re-advertising the project will give better results, so recommends awarding the project. Low bidder: Knife River Corporation – Northwest - \$1,895,673.

The unit prices for items involving concrete were the primary cause for the difference between the engineer's estimate and low bid on key #18891 – SH-39, Lateral A Canal, Bingham County, District 5. The concrete needs to be hauled a significant distance, which the engineer's estimate did not consider. Staff believes the recent market demand and fluctuations in price for concrete were not considered when the engineer's estimate was developed. Staff does not believe there is an advantage to rejecting and re-advertising the project and recommends awarding the contract. Low bidder: Knife River Corporation – Northwest - \$620,988.

The variation between the engineer's estimate and low bid on keys #20292 and #19342 – Shoulder Widening, South 4500 West Road, Teton County, and Cedron Road Shoulder Widening, Teton County, District 6, is likely due to the current demand for all types of contractors. The Local Highway Technical Assistance Council (LHTAC) and project sponsor Teton County did not find evidence of collusion or irregularities. Because of the need for this safety project, they recommend awarding the contract. Low bidder: H-K Contractors, Inc. - \$795,770.

6) Contract for Rejection. The low bid on key #14002 – I-15, Rose Road Interchange, Bingham County, District 5, was more than ten percent over the engineer's estimate, requiring justification. One responsive bid was received. The District recommends changing the plans and re-bidding the project. The major change would be to construct an additional lane on I-15 to prevent long lane closures in the high traffic volume segment. Although bid savings may not be realized, the change would improve safety for the traveling public and construction personnel. Staff recommends rejecting the bid. Low bidder: Scarsella Brothers, Inc. - \$9,532,706.

Informational Items. 1) State FY18 Financial Statements. Revenues to the State Highway Account from all sources were ahead of projections by .7% at the end of November. Of that total, receipts from the Highway Distribution Account were .4% or \$370,000 more than forecast. State revenues to the State Aeronautics Fund were ahead of projections by 5%, or \$62,000. Expenditures were within planned budgets. Personnel costs had savings of \$8.3 million or 16% due to reserves for horizontal career path increases, vacancies, and timing between a position becoming vacant and being filled. ITD had 120 vacancies at the end of November. Contract construction cash expenditures of \$248 million through November exceeded any from the past three years.

The balance of the long term investments was \$163.6 million at the end of November. These funds are obligated against construction projects and encumbrances. The long term investments plus the cash balance of \$80 million were \$29 million less than the end of June. Expenditures in the Strategic Initiatives Program Fund through November were \$5.2 million. Deposits into the new Transportation Expansion and Congestion Mitigation Fund were \$6.8 million year-to-date. These funds have been requested as a supplemental appropriation for the legislature's action in January.

2) Monthly Reporting of Federal Formula Program Funding through December. Idaho received obligation authority of \$84.7 million through January 19 via a continuing resolution. This corresponds to \$83.6 million with match after a reduction for prorated indirect costs. It is assumed that Congress will pass another short-term continuing resolution on or before January

19. Apportionments were \$301.4 million, which includes Redistribution of Certain Authorized Funds. Currently, obligation authority is 28.1% of apportionments. Of the \$83.6 million allotted, \$46 million remains.

3) Non-Construction Professional Service Contracts Issued by Business and Support Management (BSM). The BSM Section did not process any professional service agreements in December.

4) US-95, Junction SH-53, Union Pacific Railroad Bridge, Garwood Road Grade Separation and Frontage Roads (GARVEE). In September 2017 the Board approved a request to exceed the \$1 million limit for professional services to design the above project, key #20352. The estimated cost of these services was \$4,400,000. A contract was negotiated and awarded to David Evans & Associates in the amount of \$5,332,425. The cost increase is due to the acceleration of the project delivery, plans to split the project into two construction packages, and additional services to cover unforeseen tasks. Those additional services can only be used when a specific work task or supplemental is negotiated and issued.

5) Contract Awards and Advertisements. Key #13589 – US-95, Echo Drive to Milepost 515.5, Boundary County, District 1. Low bidder: Wood’s Crushing and Hauling, Inc. - \$1,237,792.

Key #13851 – SH-41, Burlington Northern Railroad Bridge, Bonner County, District 1. Low bidder: Garco Construction, Inc. – \$5,549,000.

Key #13879 – US-12, Tumble Creek to Lochsa Ranger Station, Idaho County, District 2. Low bidder: Knife River Corporation - Northwest - \$5,930,000.

Key #19986 – US-12, Warm Springs Pack Bridge to Montana State Line, District 2. Low bidder: Knife River Corporation – Northwest - \$7,330,000.

Key #18991 – SH-52, Sweet-Ola Highway to SH-55, District 3. Low bidder: Knife River Corporation – Northwest - \$2,653,662.

Key #18852 – US-20, Intersection Farmway Road, Canyon County, District 3. Low bidder: Staker & Parson Companies dba Idaho Materials - \$405,157.

Key #19117 – US-30, Coulee Canal, Twin Falls County, District 4. Low bidder: Kloepfer, Inc. - \$408,581.

Key #19892 – SH-24, B-2 Canal to Minidoka, District 4. Low bidder: Western Construction, Inc. - \$4,179,954.

Key #19815 – US-91, Junction SH-34 to North 8th West, Preston, District 5. Low bidder: Staker & Parson Companies dba Jack B. Parson Companies - \$839,108.

Key #20239 – FY18 District 5 Revegetation. Low bidder: Adams RC Consulting dba Snake River - \$75,669.

The list of projects currently being advertised was provided.

6) Professional Services Agreements and Term Agreement Work Tasks Report. From November 24 through December 21, 27 new professional services agreements and work tasks were processed, totaling \$10,937,215. Seven supplemental agreements to existing professional services agreements were processed during this period in the amount of \$103,826.

7) Semi-Annual Report on Administrative Settlements for Right-of-Way Acquisitions. From July 1 through December 29, 2017, staff processed 33 parcels. Of those, eight parcels included an administrative settlement.

Board Subcommittee Reports. Member Kempton said the Board Subcommittee on 129,000 Pound Truck Routes met yesterday to consider routes in District 6. The Subcommittee recommended Board approval of all of the routes.

Member Kempton made a motion to accept the Subcommittee report. Member DeLorenzo seconded the motion and it passed unopposed.

Director's Report. Director Ness reported that the Department's FY18 supplemental appropriations request will be presented to the Joint Finance and Appropriations Committee (JFAC) tomorrow. He commended employees for continuing to look for ways to save money. Some of the other activities he mentioned were an impaired driving campaign over the holidays, a social media event focusing on winter driving, efforts to improve traffic flow by upgrading traffic signals in Twin Falls, and a partnership with Syringa to install 56 miles of fiber optic cables in District 1. He also relayed commendations on the Department's winter maintenance efforts and congratulated Member DeLorenzo for receiving the Community Planning Association of Southwest Idaho's Leadership by Example Award.

Chief Operations Officer Travis McGrath said 78 of the 79 FY18 projects have been completed through the Plans, Specifications, and Estimates stage. Bids have been opened on more than 60 of those projects. He also reported the state highways have been clear of ice and snow 84% of the time this winter. He acknowledged that snow accumulation has been at or below average to date.

Chairman Whitehead thanked the gentlemen for the updates.

The entire Director's Board Report can be viewed at <http://itd.idaho.gov/Board>.

Legislative Report. Mollie McCarty, Governmental Affairs Manager (GAM), said the Department's rules will be presented on January 23 and the JFAC budget hearing will be on February 5. ITD's lone legislative proposal, allowing electronic commercial vehicle permits, has been introduced and was approved for printing. She clarified that permits will still be available on paper. She also mentioned that Aeronautics Advisory Board Member Chip Kemper's Senate

confirmation hearing was held yesterday and Member Kempton's confirmation hearing is scheduled on January 18.

GAM McCarty said staff has been providing assistance on non-ITD legislative proposals on topics such as Safe Routes to School, local 129,000 pound truck routes, and interlock devices. The legislative interim committee on weight distance fees has been asked to continue its work. The Governor signed an executive order establishing a committee to review autonomous vehicles. Director Ness is to chair the committee.

In response to Member Vassar's question on the distribution of the surplus eliminator funds, GAM McCarty said that she does not anticipate any changes to the distribution of the funds to the local entities and state. She added that there may be some discussion on how ITD is to use its funding. As a follow-up, Member DeLorenzo expressed concern with the funds that the Board has dedicated to the I-84, Nampa to Caldwell corridor. She asked if the federal grant may be impacted. GAM McCarty believes that there may be some impact to the federal grant. Member DeLorenzo asked if it may be feasible to take money from other projects or sources to align with the grant application or if there may be an opportunity to amend the grant application. Financial Manager – Financial Planning and Analysis Joel Drake believes there may be an opportunity to amend the application. Staff can look into this issue. Director Ness acknowledged that the chances of receiving the federal grant are greater if non-traditional transportation funds are committed to the project.

Chairman Whitehead thanked GAM McCarty for the legislative update.

Dealer Advisory Board (DAB) Annual Report. DAB Chairman Bobby Petersen expressed appreciation for the passage of 2017 legislation preventing car dealers who are convicted of a felony related to the industry from receiving a new license for several years. He believes that will protect consumers. The DAB has been discussing improvements to ITD's title process with staff. Although some changes have been made, the DAB asked ITD to explore an electronic title process offered by a vendor. DAB Chairman Petersen also reported that no funds have been expended from the Idaho Consumer Asset Recovery Fund.

Chairman Whitehead thanked DAB Chairman Petersen for the report.

Children Pedestrian Safety Funding Update. Division of Engineering Services Administrator (DESA) Blake Rindlisbacher summarized the 2017 legislation allowing children pedestrian safety projects to be funded via the Strategic Initiatives Program. Staff has been working with LHTAC on this initiative. The LHTAC Council and Board approved a maximum of \$2,000,000 for children pedestrian safety projects, with approximately 60% to be funded on the state system and 40% on the local system.

LHTAC conducted extensive outreach and training on this program and solicited projects. Seventy-one applications requesting over \$12 million in funds were submitted. DESA Rindlisbacher summarized the project review process and presented a prioritized list of projects for funding. He noted that the ranking resulted in a recommendation of 45% of the funds, or

\$893,000, directed to projects on the state system, and 54%, or \$1,087,000 for the local system. Twenty thousand dollars is being reserved for LHTAC to administer the program.

LHTAC Administrator Jeff Miles thanked the Board for its partnership on this important and popular program.

Chairman Whitehead requested the Board delay action on the proposed resolution due to conversations at the legislature. He thanked DESA Rindlisbacher and Administrator Miles for the report and for their work on this.

Washington State Commission – Idaho Drivers Program for Road Usage Charges. Transportation Legislation Policy Specialist (TLPS) Matt Moore said the state of Washington is conducting a road usage charge pilot program. The intent is to address the gas tax revenue decline as vehicles become more fuel efficient or do not use gasoline. Washington is inviting a targeted 50 Idahoans who drive across Washington and Oregon state lines on a fairly regular basis to participate. Interested individuals would gain experience with road usage charges, allowing them to compare fuel taxes against such charges on a quarterly basis. The mileage reporting options are flexible. No actual monies would be exchanged or collected differently.

In response to Member Vassar's question on the targeted participants, TLPS Moore replied that legislators and ITD employees in Districts 1, 2, and 3 are being considered because they presumably travel into Oregon or Washington occasionally. He said Board members are welcome to participate and to suggest other possible candidates.

Chairman Whitehead asked if the intent is for passenger vehicles to participate or if commercial vehicles are being solicited. TLPS Moore replied that the intent is for personal, passenger vehicles.

Chairman Whitehead thanked TLPS Moore for the informative report.

Executive Session on Personnel and Legal Issues. Member Vassar made a motion to meet in executive session at 10:10 AM to discuss personnel and legal issues as authorized in Idaho Code Section 74-206 (b), (d), and (f). Member Horsch seconded the motion and it passed 5-0 by individual roll call vote.

The discussions on legal matters related to operations. The personnel item related to the performance of an employee.

The Board came out of executive session at 12:30 PM.

Informal Luncheon with the Aeronautics Advisory Board (AAB). The Board members visited informally with the AAB members during lunch. The group discussed the proposal to purchase a single engine turboprop aircraft and the pilot shortage.

Division of Aeronautics' Annual Report. The AAB members reported on various aviation issues at the national and state level. There were zero commercial airline fatalities in 2017. The

use of drones is continuing to escalate. Due to the good economy, the aviation environment is stable, although there is some concern with increasing fuel prices, especially aviation gas.

Aeronautics Administrator (AA) Mike Pape summarized the Division's activities. Some of the highlights included a \$1 million airport aid program; improvements to the grant agreements and process; maintenance of the state's 31 airstrips; and continuing to become more knowledgeable on the use of drones to be a resource for other agencies. The flight time of the King Air increased from 174.6 hours in FY16 to 205.7 hours in FY17 and the Division had zero aircraft incidents. Unfortunately, there were two aviation fatalities in Idaho in 2017.

AA Pape said some of the goals for 2018 are to maximize the funding for the public airports, identify process efficiencies, continue to promote land use planning, and reduce the accident rate. He also reported that the Division of Aeronautics will need to relocate. The Boise Air Terminal's expansion plans require the land that the Division of Aeronautics' building is on.

Chairman Whitehead thanked the AAB members and AA Pape for the report.

Northgate Interchange – Consultant Agreement Exceeding \$1 Million. District 5 Engineer (DE) Ed Bala said a team of consultants was selected to design the I-15, Northgate Interchange, key #20314. The project will be developed in three stages. Stage 1 is nearing completion. Stage 2 is being negotiated and is expected to bring the total agreement amount to just under \$1 million. The total cost, including stage 3, is estimated at \$1.5 million, which is about 12% of the anticipated construction costs. DE Bala requested approval to exceed the \$1 million limit for the consultant agreement.

Member DeLorenzo made a motion, seconded by Member Horsch, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Department has determined it is in its best
ITB18-02 interests to contract with a single firm or team of firms to provide professional services to deliver the I-15, Northgate Interchange project for construction contracting; and

WHEREAS, it is anticipated that a phased approach will be utilized to begin critical activities as early as possible and to enter into a later contract with the same firm/team for final design services; and

WHEREAS, staff expects the agreement, including supplemental agreements, with the successful firm to exceed \$1 million in total; and

WHEREAS, Board Policy 4001 delegates authority for signing and executing contracts to the Director and designates limits and controls for staff authority regarding contracts, agreements, and grants; and

WHEREAS, the Director is authorized to seek necessary professional services outside the Idaho Transportation Department when the required services are not available within the Department; and

WHEREAS, agreements, including supplemental agreements, with a professional services provider that would bring the Department's obligation to more than \$1 million requires Board approval.

NOW THEREFORE BE IT RESOLVED, that the Idaho Transportation Board approves an increase in the professional services agreement to approximately \$1.5 million for the I-15, Northgate Interchange project, key #20314.

Chairman Whitehead thanked DE Bala for his efforts. Member Coleman also expressed appreciation for DE Bala's work on this project and the collaboration with the various partners. He believes it is an important project for the transportation system.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 2:05 PM.

signed

JERRY WHITEHEAD, Chairman
Idaho Transportation Board

Read and Approved
February 21, 2018
Boise, Idaho

January 17, 2018