

ARKANSAS DEPARTMENT OF TRANSPORTATION

LITTLE ROCK, ARKANSAS

October 30, 2017

ADMINISTRATIVE CIRCULAR NO. 2017-14

TO: ALL DIVISION HEADS AND DISTRICT ENGINEERS

We are transmitting herewith for your information and records a copy of the Minutes of the Commission Meeting in Little Rock, AR on October 18, 2017.

After making a careful review of these proceedings, please take appropriate action through designated lines of authority to forward the carrying out of any orders applying to your respective divisions and districts.



Scott E. Bennett
Director

c: Commission

MINUTES OF THE MEETING
OF THE
ARKANSAS STATE HIGHWAY COMMISSION

October 18, 2017

Following is the record of proceedings of the Arkansas State Highway Commission in Little Rock, Arkansas, October 18, 2017. Members present were:

Dick Trammel, Chairman
Thomas B. Schueck, Vice Chairman
Robert S. Moore, Jr., Member
Alec Farmer, Member
Philip Taldo, Member

2017-090 IT IS ORDERED that a meeting of the Arkansas State Highway Commission be opened at 9:30 a.m., October 18, 2017.

2017-091 WHEREAS, the Purchasing Committee has awarded purchases on September 1, 2017, in the amount of \$113,209.80, and supply and service contracts, in accordance with authority previously conveyed, all of which have been documented by official minutes which are of record in the files of the Commission and Equipment and Procurement Division.

NOW THEREFORE, IT IS ORDERED that the action of the Purchasing Committee be ratified and confirmed in all particulars.

2017-092 WHEREAS, Arkansas Highway Police Division patrol units are currently equipped with mobile in-car audio and video recording systems; and

WHEREAS, these systems are critical to both officer safety and the establishment of public trust and transparency by documenting traffic stops, use of force, pursuits and other law enforcement related incidents and encounters with the public; and

WHEREAS, the current systems are at an age where they are at times unreliable and in a state of disrepair; and

2017-092 - Continued

WHEREAS, updated technology is available that integrates in-car audio and video recording systems with officer worn body cameras that would greatly enhance officer safety and more thoroughly document interactions between officers and the public.

NOW THEREFORE, the Director is authorized to purchase replacement mobile in-car audio and video recording systems and officer worn body cameras for use by officers assigned to patrol units and weigh stations utilizing approved budgeted funds of the Arkansas Highway Police Division.

2017-093

WHEREAS, the Department uses professional architectural and engineering consultant services to supplement staff resources to deliver construction programs in a timely and efficient manner; and

WHEREAS, contracts with architectural and engineering consultants (A/E firms) are based on qualifications and negotiated fees; and

WHEREAS, negotiated fees for each A/E firm include an overhead cost rate that is audited by the A/E firm's Certified Public Accountant (CPA); and

WHEREAS, the Department is required to review and approve each A/E firm's CPA audited overhead cost rate to ensure compliance with the Federal Acquisition Regulation; and

WHEREAS, it has been determined that staff resources need to be supplemented in order to conduct these reviews in a timely manner.

NOW THEREFORE, the Director is authorized to request and evaluate proposals from Certified Public Accounting firms that are qualified to perform reviews of overhead cost rates.

FURTHERMORE, upon Commission approval, the Director may enter into any necessary contracts and agreements with the selected firms to be on-call to perform review work when the need is identified.

2017-094

WHEREAS, the Fixing America's Surface Transportation (FAST) Act reauthorized funding for the Transportation Alternatives Program (TAP) and the Recreational Trails Program (RTP); and

WHEREAS, applications were solicited and received for these two programs from February 1, 2017 to May 1, 2017; and

WHEREAS, the Arkansas Department of Transportation, the Transportation Alternatives Program Advisory Committee, and the Arkansas Recreational Trails Advisory Committee have reviewed the applications submitted and developed funding recommendations.

NOW THEREFORE, the Director is authorized to enter into contracts with the projects' sponsors for implementation of the projects included in the attached lists.

2017-095

WHEREAS, Act 1176 of 2013 enacted a 15 percent registration fee increase on certain commercial vehicles registered under the International Registration Plan; and

WHEREAS, the Act provides for the first \$2 million collected under the fee increase each year to be set aside for a Commercial Truck Safety and Education Fund; and

WHEREAS, the purpose of this program is to advance state interests in roadway safety by improving the safety of the commercial truck industry through cooperative public-private programs that focus on increased enforcement, regulatory compliance, industry training, and educational programs to ensure the safe movement of goods on Arkansas' roadways; and

WHEREAS, proposals for eligible projects have been solicited, received, reviewed and evaluated by the Arkansas Commercial Truck Safety and Education Program (ACTSEP) Committee; and

WHEREAS, the ACTSEP Committee has recommended awarding Commercial Truck Safety and Education Funds for the projects as presented on the attached report.

NOW THEREFORE, the Director is authorized to proceed with the award of these funds to the appropriate applicants to implement these projects.

2017-096

WHEREAS, the Moving Ahead for Progress in the 21st Century Act (MAP-21) requires each state with a rail system(s) not regulated by the Federal Railroad Administration must meet the State Safety Oversight (SSO) Program requirements set forth by the Federal Transit Administration (FTA); and

WHEREAS, the Department was designated in 2013 by then Governor Mike Beebe to serve as the State Safety Oversight Agency (SSOA) for the State of Arkansas; and

WHEREAS, the SSOA is responsible for overseeing any rail fixed guideway public transportation system including the one currently operated by Rock Region Metro in Pulaski County; and

WHEREAS, all SSOAs must be certified by the FTA by April 15, 2019 in order to comply with 49 CFR Part 674; and

WHEREAS, part of the certification requires the SSOA must be authorized to review, approve, oversee, investigate and enforce safety requirements and enforce a safety plan for the Rail Transit Agency; and

WHEREAS, in furtherance of the FTA certification, the Department Chief Legal Counsel has provided an opinion to FTA setting forth the manner by which this Commission is legally empowered to direct the Department to act on matters related to the safety oversight of public transportation, including all rail fixed guideway public transportation systems, such as the one operated by Rock Region Metro.

NOW THEREFORE, the Director is hereby authorized to develop and promulgate rules setting forth the procedure to review, approve, oversee, investigate and enforce rail fixed guideway public transportation system safety plans, for the purpose of regulating and enforcing the requirements set forth in 49 CFR Part 674.

2017-097

WHEREAS, the Intermodal Surface Transportation Efficiency Act of 1991 required that each state develop a Long-Range Intermodal Transportation Plan and this requirement has been reiterated in subsequent Federal-aid highway legislation; and

WHEREAS, the Fixing America's Surface Transportation (FAST) Act requires the development of a State Freight Plan (Plan); and

2017-097 - Continued

WHEREAS, Minute Order 2013-124 authorized the Director to update the Plan; and

WHEREAS, the Plan assesses freight trends, bottlenecks, and emerging technology; and

WHEREAS, the Plan provides goals, objectives, performance measures, and strategies to address future freight needs of the State; and

WHEREAS, these planning efforts were coordinated through the Freight Advisory Committee; and

WHEREAS, the Arkansas State Freight Plan has been completed.

NOW THEREFORE, the Arkansas State Freight Plan is hereby adopted for use as a guide for future transportation planning and implementation.

2017-098

WHEREAS, pursuant to the passage of Act 1097 to “Amend the Law Concerning Speed Limits” by the 91st General Assembly of the Arkansas State Legislature, the Department has conducted an engineering and traffic investigation to determine the feasibility of increasing the speed limits on state highways; and

WHEREAS, the investigation reviewed four groups of highways: (1) Rural Interstates; (2) Urban Interstates; (3) Rural Multi-Lane Highways; (4) Other Rural Highways; and

WHEREAS, the Department has completed the Draft Speed Limit Review of Arkansas Highways report.

NOW THEREFORE, the Director is authorized to publish the draft report for public comment for a period of not less than 45 days. Upon close of the public comment period, comments will be addressed and the final report will be submitted to the Commission for approval and implementation.

2017-099

WHEREAS, Act 650 of the 2017 Regular Session of the 91st General Assembly allows the State Highway Commission to issue a one-year special permit to a farm equipment machinery dealer to transport, under certain conditions, farm machinery equipment that does not exceed twelve feet (12') in width; and

WHEREAS, the Act requires the farm equipment machinery dealer to apply to the State Highway Commission for the one-year special permit and pay a fee not to exceed five hundred dollars (\$500) per vehicle.

NOW THEREFORE, the Director is authorized to establish a one-year special permit fee of five hundred dollars (\$500) per vehicle for a farm equipment machinery dealer to transport farm machinery equipment that does not exceed twelve feet (12') in width, and upon an approved application and payment of fee, cause the issuance of said special permit by the Permit Section of the Arkansas Highway Police Division.

2017-100

WHEREAS, IN VARIOUS COUNTIES, U.S. Highway 67 from Interstate 40 in North Little Rock to U.S. Highway 412 in Walnut Ridge has been constructed to Interstate standards; and

WHEREAS, the Intermodal Surface Transportation Efficiency Act of 1991 as amended by the Consolidated Appropriations Act of 2017 identified U.S. Highway 67 from Interstate 40 in North Little Rock to U.S. Highway 412 in Walnut Ridge as High Priority Corridor 89 on the National Highway System and as Future Interstate 57; and

WHEREAS, the Department has received approval from the American Association of State Highway and Transportation Officials to designate this segment of U.S. Highway 67 as Future Interstate 57.

NOW THEREFORE, contingent upon the Federal Highway Administration's approval, it is ordered that upon official notification by the Deputy Director and Chief Engineer, the following changes are hereby made to the State Highway System as shown on the attached sketch.

- U.S. Highway 67 beginning at the junction with Interstate 40 in North Little Rock and continuing northeast to the junction of U.S. Highway 412 in Walnut Ridge will be dual signed as U.S. Highway 67 and Future Interstate 57.

2017-101

WHEREAS, Minute Order 98-068 adopted the *US 412 Corridor Planning Study* as a guide for future project development between Norfolk Lake in Baxter County and the Missouri State Line; and

WHEREAS, various projects along the corridor have been completed over the years; and

WHEREAS, the House Concurrent Resolution 1007 from the 91st General Assembly expressed the need to expand the US Highway 412 east-west corridor through northern Arkansas to improve accessibility and economic prosperity; and

WHEREAS, the need exists to update the planning study and expand the study area across northern Arkansas.

NOW THEREFORE, the Director is authorized to proceed with updating and expanding the planning study from the Oklahoma State line to the Missouri State line.

2017-102

WHEREAS, Act 809 of 2017 granted the Commission authority to procure qualification based, Construction Manager-General Contractor (CMGC) services to implement the CMGC Method of Procurement Pilot Program; and

WHEREAS, the CMGC alternative project delivery method provides an advantage by including a construction contractor to participate in a project's preconstruction activities and thereby shifting liability and risk for cost containment and project scheduling to the CMGC; and

WHEREAS, procuring the services of an Independent Cost Estimator by a qualified consulting firm is also recommended to provide a detailed cost estimate from a contractor's perspective to ensure that the Department can negotiate effectively with the CMGC and provide the best value to the Department; and

WHEREAS, IN PULASKI COUNTY, in the City of Little Rock, a project is scheduled to provide operational improvements to Highway 10 from Pleasant Ridge Road to Pleasant Valley Drive; and

WHEREAS, it has been determined that this project is a good candidate for the CMGC Method of Procurement Pilot Program.

2017-102 - Continued

NOW THEREFORE, the Director is authorized to request and evaluate proposals and recommend to the Commission a Construction Manager-General Contractor and an Independent Cost Estimator. Upon Commission approval, the Director may enter into any necessary contracts.

2017-103

WHEREAS, the Arkansas State Highway Commission will accept bids on the following projects at the November 15, 2017 letting; and

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
020595	02	CHICOT	HWY. 35 REALIGNMENT (SAFETY IMPVTS.) (S)	35	Y
080423	08	VAN BUREN	BEE BRANCH – NORTH (S)	65	Y
080439	08	PERRY	BEAR CREEK & SO. FOURCHE LA FAVE RIVER STRS. & APPRS. (S)	7	Y
080563	08	FAULKNER	HWY. 64 & SUNNY GAP RD. SIGNAL (FAULKNER CO.) (S)	64	Y
090298	09	BENTON	HWY. 71 – HWY. 72 SOUTH (ADD'L LNS.) (B.V. BYPASS) (S)	549	Y
090300	09	BENTON	HWY. 72 SOUTH – HWY. 72 NORTH (ADD'L LNS.) (B.V. BYPASS) (S)	549	Y
090302	09	BENTON	HWY. 72 NORTH – CO. RD. 34 (ADD'L LNS.) (B.V. BYPASS) (S)	549	Y
090508	09	BENTON	HWY. 71 – CO. RD. 34 (ADD'L LNS.) (B.V. BYPASS) (S)	549	Y
012007	09 & 04	BENTON & WASHINGTON	RANDALL WOBBE LANE – HWY. 264 (SPRINGDALE) (S)	265	Y

WHEREAS, a thorough bid review and analysis is undertaken by the Department to ensure that only those projects are awarded which are judged to be in the best interests of the State; and

WHEREAS, the right is retained to reject any or all proposals, to waive technicalities, or to advertise for new proposals, also as judged to be in the best public interests of the State; and

WHEREAS, the Commission desires to expedite work on these important projects; and

WHEREAS, in accordance with Amendment 42 of the Arkansas Constitution, Section 6, as well as other laws of this State, the Commission has the authority to delegate certain powers to the Director of Highways and Transportation.

NOW THEREFORE, upon the contractors furnishing the necessary performance and payment bonds and submitting all additional information required for the above mentioned projects, the Director is hereby authorized to enter into contracts and supplemental agreements for any projects deemed to be in the best interests of the State.

FURTHERMORE, the Director is authorized to reject any or all proposals, to waive technicalities, and/or to advertise for new proposals whenever deemed to be in the best interests of the State.

Chairman Dick Trammel opened the meeting by welcoming everyone in attendance.

MOTION Commissioner Alec Farmer moved, Commissioner Robert Moore seconded and the motion passed to approve the Minutes from the previous Commission Meeting of September 6, 2017.

MOTION The Commission approved Minute Order 2016-062 on June 1, 2016, to authorize the Department to advertise for consultant services for the Central Arkansas Managed Lane Feasibility Study. Commissioner Robert Moore moved, Commissioner Alec Farmer seconded and the motion passed to enter into negotiations with the firm of WSP USA, Inc., of Tempe, Arizona, for consultant services for the Central Arkansas Managed Lane Feasibility Study Services.

OTHER DISCUSSION ITEMS

Mike Boyd, Chief Fiscal Officer, provided the September 2017 update on state highway revenue. Mr. Boyd noted that state highway revenues to the Department from traditional sources are up a total of 6.0%

Discussion Item - Continued

(\$5.9 million) in the State Fiscal Year (SFY) 2018 compared to the same period for SFY 2017. With the revenue from the Natural Gas Severance Tax coming in higher for this year compared to last year, total revenues available are 6.5% (\$6.5 million) higher for this year. Actual state revenue received is 7.6% (\$7.5 million) above projected (budgeted) revenue for this year.

In closing, Mr. Boyd stated that September revenue from the 0.5% General Sales Tax for the Connecting Arkansas Program was 3.69% lower, (\$578,748) than projected by the Department of Finance and Administration (DF&A). Since inception this revenue source is 0.6%, or \$4.2 million, under DF&A's projections.

Director Bennett provided the latest information on the Federal highway and transit funding issues. Director Bennett noted that the passage of the FAST Act, passed in December 2015, provided increased funding over its five year term. However, Congress has not been able to pass a budget for Federal Fiscal Year 2018. They were able to avoid a shutdown by passing a Continuing Resolution on September 8, 2017. The Continuing Resolution will provide funding until December 8, 2017. If Congress fails to act by December 8, 2017, we will be facing another shutdown. On May 23, 2017, President Trump released his full budget proposal for Federal Fiscal Year 2018 entitled "The New Foundation for American Greatness". This budget would provide full funding for the FAST Act in Federal Fiscal Year 2018. However, beginning in Federal Fiscal Year 2021, funding would be limited to revenue that is deposited into the Highway Trust Fund. This would result in a 40% reduction in the Federal-aid Highway Program.

In closing, Director Bennett stated that not only are there questions regarding future Federal-aid funding, but the source(s) of dependable long-term State revenue to provide the match for Federal-aid funds beyond 2017 and the additional State revenue needed to adequately maintain and improve Arkansas' transportation system have not been identified.

Director Bennett gave an update on the status of the 2011 Interstate Rehabilitation Program (IRP) and Connecting Arkansas Program (CAP). The 2011 Interstate Rehabilitation Program was approved by Arkansas voters in November 2011. Under this program, the Commission has the authority to issue up to \$575 million in GARVEE bonds for Interstate rehabilitation. Three series of bonds have been issued. The first was sold in September 2012 at a par value of \$197 million (true interest cost of 1.6%) with a premium of \$33 million (total of \$230 million available for construction). The second was sold in October 2013 at a par value of \$172 million (true interest cost of 2.2%) with a premium of \$29 million (total of \$201 million available for construction). The third was sold in November 2014 at a par value of \$206 million (true interest cost of 2.1%) with a premium of \$37 million (total of \$243 million available for construction).

The Connecting Arkansas Program was approved by Arkansas voters in November 2012. Under this program, the Commission has the authority to issue up to \$1.3 billion in revenue bonds for four-lane highway construction. The first series of bonds was sold in September 2013 at a par value of \$469 million (true interest cost of 3.1%) with a premium of \$25 million (total of \$494 million available for construction). No other bond sales under this program are expected.

Director Bennett presented a summary of the apparent low bids and bidders from the October 11, 2017, Bid Letting.

Director Bennett gave a summary of the possible 2018 Initiated Act. The 2017 91st General Assembly failed to successfully address the funding shortfall the Department is facing to meet our needs and match federal funds. Subsequently, Governor Hutchinson publically stated the following:

"As to the long term solutions, it emphasizes that it is difficult to get a referral of this General Assembly out to the voters, and that I hope the leadership of our state and the business community and others will look at an initiated act that might go on the ballot for a highway program," he said. "Otherwise, we'll continue to debate the long-germ solution in future sessions."

Discussion Item - Continued

Director Bennett presented different scenarios of the possible 2018 Initiated Act for discussion purposes only. The Commission requested that additional scenarios be developed for discussion at the next meeting that do not include the transfer of road user revenue from the general fund.

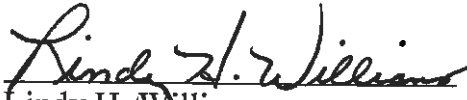
Director Bennett presented a list of upcoming meetings and events that the Commissioners and Director will be attending, including the Highway Commission Review and Advisory Subcommittee Meeting on October 19 and the House Public Transportation and Revenue & Taxation/Senate Transportation Technology & Legislative Affairs and Revenue & Tax Joint Committee Meeting and Tour on October 26.

Chairman Trammel ended the meeting by congratulating Director Bennett for having been elected Secretary-Treasurer to the American Association of State Highway and Transportation Officials' (AASHTO) Executive Committee.

2017-104

IT IS ORDERED that a meeting of the Arkansas State Highway Commission be closed at 11:25 a.m., October 18, 2017.

I hereby certify that the above and foregoing is a true record of the proceedings taken by the Arkansas Highway Commission at its meeting on October 18, 2017.


Lindy H. Williams
Commission Secretary