

ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT
LITTLE ROCK, ARKANSAS

July 31, 2014

ADMINISTRATIVE CIRCULAR NO. 2014-11

TO: ALL DIVISION HEADS AND DISTRICT ENGINEERS

We are transmitting herewith for your information and records a copy of the Minutes of the Commission Meetings in Little Rock, AR on July 23, 2014.

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 of Highways
and Transportation

c: Commission

MINUTES OF THE MEETING
OF THE
ARKANSAS STATE HIGHWAY COMMISSION

July 23, 2014

Following is the record of proceedings of the Arkansas State Highway Commission in Little Rock, Arkansas, July 23, 2014. Members present were:

John Ed Regenold, Chairman
Dick Trammel, Vice Chairman
Thomas B. Schueck, Member
Robert S. Moore, Jr., Member
Frank D. Scott, Jr., Member

2014-087 IT IS ORDERED that a meeting of the Arkansas State Highway Commission be opened at 10:30 a.m., July 23, 2014.

2014-088 WHEREAS, the Purchasing Committee has awarded purchases on June 10, 2014, and July 7, 2014, in the amount of \$659,665.56, and \$135,310.00, respectively, totaling \$794,975.56, 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.

2014-089 WHEREAS, the Great Arkansas Cleanup is an important anti-litter program which contributes to the appearance of the State's highways; and

WHEREAS, the Arkansas Highway and Transportation Department spends approximately \$5 million annually to remove litter from State Highways; and

2014-089 - Continued

WHEREAS, the Department's previous contributions to the Keep Arkansas Beautiful Foundation have been helpful in continuing the Great Arkansas Cleanup.

NOW THEREFORE, the Director is authorized to make a contribution of \$25,000 this year to the Keep Arkansas Beautiful Foundation for use in conducting the Great Arkansas Cleanup Campaign.

2014-090

WHEREAS, the Arkansas Strategic Highway Safety Plan (2013) identified roadway departure crashes as a primary safety emphasis area; and

WHEREAS, the installation of rumble strips and stripes has been proven to be an effective engineering strategy to reduce fatalities and serious injuries related to roadway departure crashes; and

WHEREAS, installation of rumble strips and stripes is eligible for Federal-aid Safety funds.

NOW THEREFORE, the Director is authorized to proceed with the installation of shoulder rumble strips or stripes at the locations shown on the attached map as funds become available.

2014-091

WHEREAS, IN LAFAYETTE COUNTY on County Road 20 an original contract dated June 11, 2012, was awarded to Southern State Construction for Job No. BR3713, FAP No. BRO-0037(29), Field Bayou Ditch Str. & Apprs. (S), based on a low bid of \$892,252.42; and

WHEREAS, the Contractor has failed to comply with the following contract requirements:

- Failure to maintain a field office until the Engineer has determined that it is no longer needed.
- Correct erosion and sediment control deficiencies.
- Provide subcontractor payment logs within specified time frame.
- Perform corrective work for the newly completed bridge structure.

2014-091 - Continued

WHEREAS, the Contractor has been assessed over 90 days of liquidated damages and has not provided the Department a plan for finishing the remaining work; and

WHEREAS, the Contractor was notified by certified mail dated July 1, 2014, that the project would be recommended for default in accordance with Subsection 108.08 of the Standard Specifications.

NOW THEREFORE, IT IS ORDERED that the right of Southern State Construction to proceed on Job No. BR3713 is hereby terminated, and the Deputy Director and Chief Engineer is authorized to arrange for fulfillment of the contract obligations in accordance with the terms and conditions of the contract and bond.

2014-092

WHEREAS, IN NEVADA COUNTY on State Highway 32 an original contract dated November 30, 2011, was awarded to Southern State Construction for Job No. 030386, FAP No. BRO-0050(25), Little Bodcau Creek & Relief Strs. & Apprs. (S), based on a low bid of \$2,225,717.97; and

WHEREAS, the Contractor has discontinued the prosecution of the work; and

WHEREAS, the Contractor has abandoned the project by removing equipment and materials essential to completion of the project; and

WHEREAS, the Contractor has been assessed over 180 days of liquidated damages and has not provided the Department a plan for finishing the remaining work; and

WHEREAS, the Contractor was notified by certified mail dated July 1, 2014, that unless work was resumed within 10 days of receipt of said letter, the project would be recommended for default in accordance with Subsection 108.08 of the Standard Specifications.

2014-092 - Continued

NOW THEREFORE, IT IS ORDERED that the right of Southern State Construction to proceed on Job No. 030386 is hereby terminated, and the Deputy Director and Chief Engineer is authorized to arrange for fulfillment of the contract obligations in accordance with the terms and conditions of the contract and bond.

2014-093

WHEREAS, Minute Order 2012-026 authorized the Director to hire a consultant to conduct a study to determine the feasibility of tolling Interstate 40 between North Little Rock and Memphis for capacity and safety improvements; and

WHEREAS, Jacobs Engineering Group Inc. was hired to conduct this study; and

WHEREAS, the Interstate 40 Toll Feasibility Study has been completed and the results indicate tolling Interstate 40 would be feasible if all lanes could be tolled; and

WHEREAS, further economic feasibility analyses and an investment grade study would be needed should the tolling of Interstate 40 be pursued; and

WHEREAS, current Federal law prohibits tolling of existing lanes on interstates.

NOW THEREFORE, the study is adopted with no further action needed at this time.

2014-094

WHEREAS, the Federal Lands Access Program (FLAP) is a new program created under the "Moving Ahead for Progress in the 21st Century Act" that provides funds to improve transportation facilities that provide access to, are adjacent to, or are located within Federal lands; and

WHEREAS, the Department has applied for and received an award in the amount \$4 million of FLAP funds to improve Highway 220 from Lee Creek to Devil's Den State Park; and

2014-094 - Continued

WHEREAS, the Eastern Federal Lands Highway Division is responsible for administering the FLAP and wishes to enter into agreement with the Department to establish the respective responsibilities to complete the project.

NOW THEREFORE, the Director is authorized to enter into any necessary contracts and agreements with Eastern Federal Lands Highway Division and to proceed with surveys, plans, and construction of a project to improve this segment of Highway 220.

2014-095

WHEREAS, a crash analysis of Highway 9, Section 11 and Highway 5, Sections 16, 17 and 18 from Mountain View to Mountain Home has been completed; and

WHEREAS, IN IZARD & BAXTER COUNTIES, the crash rates on Highway 5, Sections 17 and 18 are approximately twice the statewide average; and

WHEREAS, the predominant type of crashes on this segment are roadway departure crashes; and

WHEREAS, pavement surface treatment, shoulder widening, geometric improvements, and a center turn lane would enhance safety on this route; and

WHEREAS, the Arkansas Strategic Highway Safety Plan (2013) identified roadway departure crashes as a primary safety emphasis area; and

WHEREAS, these improvements are eligible for Federal-aid safety funds.

NOW THEREFORE, the Director is authorized to proceed with surveys, plans and construction of a project as funds become available.

2014-096

WHEREAS, IN EAST-CENTRAL ARKANSAS, the White River Irrigation District and the Army Corps of Engineers are implementing the Grand Prairie Area Demonstration Project, which is a comprehensive water management plan designed to protect and preserve the ground water; and

WHEREAS, this project includes transferring water from the White River via a network of new canals, pipelines and existing ditches to area farms; and

WHEREAS, in Prairie County, construction of two new bridges will be required on Highway 63 and Highway 70 at the location where a main canal will cross; and

WHEREAS, the White River Irrigation District has requested that the Department handle advertisement, construction and construction engineering for these bridges; and

WHEREAS, all costs associated with construction of these bridges will be the responsibility of the White River Irrigation District.

NOW THEREFORE, the Director is authorized to execute an agreement with the White River Irrigation District to implement a project to construct these two bridges at no cost to the Department. The Director is further authorized to execute the necessary deeds and easements as may be required by the project.

2014-097

WHEREAS, IN EAST-CENTRAL ARKANSAS, the Bayou Meto Water Management District and the Army Corps of Engineers are implementing the Bayou Meto Basin Project, which is a comprehensive water management plan designed to protect and preserve the ground water; and

WHEREAS, this project includes transferring water from the Arkansas River via a network of new canals, pipelines and existing ditches to area farms; and

WHEREAS, in Pulaski and Lonoke Counties, construction of two new bridges will be required on Highway 161 and Highway 165 at the location where a main canal will cross; and

2014-097 - Continued

WHEREAS, the Bayou Meto Water Management District has requested that the Department handle advertisement, construction and construction engineering for these bridges; and

WHEREAS, all costs associated with construction of these bridges will be the responsibility of the Bayou Meto Water Management District.

NOW THEREFORE, the Director is authorized to execute an agreement with the Bayou Meto Water Management District to implement a project to construct these two bridges at no cost to the Department. The Director is further authorized to execute the necessary deeds and easements as may be required by the project.

2014-098

WHEREAS, The City of Mansfield, by Resolution 2014-01, has acknowledged Highway 71 through Mansfield as the “Specialist Robert Allen Pierce Highway”; and

WHEREAS, the Highway Commission has adopted guidelines for the installation of commemorative signs by Minute Order 2014-023, and the actions taken by Mansfield meet these guidelines.

NOW THEREFORE, the Director is authorized to permit the installation of signs along Highway 71 in each direction at the limits of Mansfield in accordance with Commission Policy.

2014-099

WHEREAS, the Arkansas State Highway Commission received bids on the following projects at the July 23, 2014 letting;

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
BB0613	06	PULASKI	I-30-BINGHAM RD. (S)	530	Y
061332	06	PULASKI	I-30/I-430 INTERCHANGE IMPVT. (L.R.) (PH. I) (S)	30 & 430	Y
BB0803	08	JOHNSON & POPE	HWY. 64-MILL CREEK (S)	40	Y
090414	09	VARIOUS	DISTRICT 9 PVMT. FRICTION IMPVTS. (S)	VAR	Y

2014-099 - Continued

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
FSX005	05 & 08	VARIOUS	HWY. 9-HWY. 16 (REHAB.) (F)	92	Y
012216	VAR	VARIOUS	CENTRAL ARK. & LAKE VILLAGE PVMT. FRICTION IMPVTS. (S)	VAR	Y
C01003	02	ARKANSAS	ALMYRA & STUTTGART OVERLAY (SEL. SECS.) (S)	---	-
C12002	05	CLEBURNE	QUITMAN OVERLAY (SEL. SECS.) (S)	---	-
C16002	10	CRAIGHEAD	BONO & BROOKLAND OVERLAY (SEL. SECS.) (S)	---	-
C16003	10	CRAIGHEAD	CARAWAY KENTUCKY ST. OVERLAY (S)	---	-
C18004	01	CRITTENDEN	CRAWFORDSVILLE OVERLAY (SEL. SECS.) (S)	---	-
C21003	02	DESHA	ARKANSAS CITY OVERLAY (SEL. SECS.) (S)	---	-
C29001	03	HEMPSTEAD	HOPE WEST AVE. B OVERLAY (SEL. SECS.) (S)	---	-
C33001	05	IZARD	CALICO ROCK & MELBOURNE OVERLAY (SEL. SECS.) (S)	---	-
C34001	05	JACKSON	SWIFTON OVERLAY (SEL. SECS.) (S)	---	-
C38004	10	LAWRENCE	HOXIE & POWHATAN OVERLAY (SEL. SECS.) (S)	---	-
C43001	06	LONOKE	LONOKE OVERLAY (SEL. SECS.) (S)	---	-
C44001	09	MADISON	HUNTSVILLE OVERLAY (SEL. SECS.) (S)	---	-
C59001	06	PRAIRIE	BISCOE & DEVALLS BLUFF OVERLAY (SEL. SECS.) (S)	---	-
C61001	10	RANDOLPH	MAYNARD & POCAHONTAS OVERLAY (SEL. SECS.) (S)	---	-
C65003	04	SEBASTIAN	GREENWOOD MAIN ST. OVERLAY (S)	---	-
C68002	01	ST. FRANCIS	FORREST CITY, COLT, WHEATLEY & WIDENER OVERLAY (SEL. SECS.) (S)	---	-
C72002	04	WASHINGTON	GREENLAND & JOHNSON OVERLAY (SEL. SECS.) (S)	---	-
C76010	10	CRAIGHEAD & MISSISSIPPI	LEACHVILLE, MANILA, & MONETTE OVERLAY (SEL. SECS.) (S)	---	-
C76012	05	FULTON & SHARP	CHEROKEE VILLAGE & HIGHLAND OVERLAY (SEL. SECS.) (S)	---	-
SA0135	02	ARKANSAS	ARKANSAS CO. RESEAL NO. 6 (SEL. SECS.) (S)	---	-

2014-099 - Continued

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
SA0645	07	BRADLEY	CO. RD. 32 LEVEL & RESEAL (SEL. SEC.) (S)	---	-
SA1249	05	CLEBURNE	HWY. 25-NORTH (OVERLAY) (S)	---	-
SA1659	10	CRAIGHEAD	CRAIGHEAD CO. SURFACING NO. 29 (SEL. SECS.) (S)	---	-
SA3542	02	JEFFERSON	CO. RD. 35-CLEVELAND CO. LINE (REPAIR & RESEAL) (S)	---	-
SA3730	03	LAFAYETTE	STAMPS C.L.-HWY. 53 (RESEAL) (S)	---	-
SA3849	10	LAWRENCE	LAWRENCE CO. OVERLAY NO. 3 (SEL. SECS.) (S)	---	-
SA4273	04	LOGAN	LOGAN COUNTY SURFACING NO. 4 (SEL. SECS.) (S)	---	-
SA4340	06	LONOKE	CO. RD. 63-HWY. 294 (SURFACING) (S)	---	-
SA4432	09	MADISON	MADISON COUNTY OVERLAY NO. 2 (SEL. SECS.) (S)	---	-
SA4644	03	MILLER	MILLER CO. LEVEL & RESEAL (SEL. SECS.) (S)	---	-
SA5346	08	PERRY	COUNTY ROAD 78 OVERLAY (SEL. SEC.) (S)	---	-
SA5444	01	PHILLIPS	CYPRESS BAYOU-NORTH (OVERLAY) (SEL. SEC.) (S)	---	-
SA5554	03	PIKE	CO. RD. 6-WEST (SURFACING) (S)	---	-
SA6046	06	PULASKI	PULASKI COUNTY SURFACING NO. 8 (SEL. SECS.) (S)	---	-
SA6137	10	RANDOLPH	CO. RD. 70 DRAINAGE (SEL. SECS.) (S)	---	-
SA6438	09	SEARCY	HWY. 66-SOUTH (OVERLAY) (S)	---	-
SA7134	08	VAN BUREN	HWY. 16-EAST OVERLAY (SEL. SECS.) (S)	---	-
SA7290	04	WASHINGTON	HWY. 412-SOUTH (OVERLAY) (S)	---	-
SA7291	04	WASHINGTON	CO. RD. 11 OVERLAY (SEL. SEC.) (S)	---	-
SA7387	05	WHITE	HWY. 385-HWY. 36 BASE & SURFACING NO. 2 (SEL. SECS.) (S)	---	-
SA7441	01	WOODRUFF	WOODRUFF CO. SURFACING NO. 2 (SEL. SEC.) (S)	---	-

and

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 Arkansas Constitution, Amendment 42, Section 6, as well as other laws of this State, the Commission has the authority to delegate certain of its 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. Further, 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.

MOTION Vice Chairman Dick Trammel moved, Commissioner Tom Schueck seconded and the motion passed to approve the Minutes of June 4, 2014.

MOTION Commissioner Frank D. Scott, Jr. moved, Vice Chairman Dick Trammel seconded and the motion passed to authorize the staff to advertise for an auctioneer service to conduct a public auction(s) of used and surplus equipment with the primary sale to be conducted near the end of October 2014, and the subsequent secondary sale(s) to be conducted as necessary on dates mutually agreed to by the selected auction service and the Department.

MOTION

Commissioner Tom Schueck moved, Commissioner Frank D. Scott, Jr. seconded and the motion passed to authorize the staff to advertise for a consultant to design and help implement the Department's proposed Intelligent Transportation Systems (ITS).

MOTION

The Commission approved Minute Order 2014-078 on June 4, 2014 authorizing the Department to advertise for consultant services for Job 040128 Endangered Bat Survey. Vice Chairman Dick Trammel moved, Commissioner Robert S. Moore, Jr. seconded and the motion passed to accept the Staff's recommendation to enter into negotiations with the firm of Mitigation Surveying Services, LLC of Benton, Arkansas.

OTHER DISCUSSION ITEMS

Jose Martinez, Arkansas' Commander of the Military Order of the Purple Heart was recognized and presented the Commission and the Department with a plaque in recognition of the Department's efforts by designating certain highways in Arkansas as part of the National Purple Heart Trail.

Robert Phelps, Executive Director of the Keep Arkansas Beautiful Commission, made a presentation on the "2014 Great Arkansas Cleanup" and on the litter control activities of KArB. KArB requested the Highway Commission consider a contribution, and the Commission passed a Minute Order authorizing a contribution of \$25,000.

Larry Dickerson, Chief Fiscal Officer, provided the June 2014 update on state highway revenue. Mr. Dickerson noted that state highway revenues to the Department from most traditional sources are down a total of \$6.1 million for State Fiscal Year (SFY) 2014 compared to SFY 2013. With the revenue from the National Gas Severance Tax coming in higher this year than last year, total revenues available are \$10.8 million higher for this year. Actual state revenue received is also \$17.6 million higher compared to projected (budgeted) revenue for this year.

In closing, Mr. Dickerson stated that June revenue from the 0.5% General Sales Tax for the Connecting Arkansas Program was 1.6% lower than projected by the Department of Finance and Administration (DF&A). This revenue source has now come in under DF&A's projections for ten of the twelve months since the tax went into effect, and is cumulatively 2.9%, or \$4.6 million, under DF&A's projections for this first year.

Director Bennett provided the latest information on the Federal highway and transit funding issues. The President signed Moving Ahead for Progress in the 21st Century (MAP-21) on July 6, 2012, authorizing funding for the final two months of FY 2012 plus two full fiscal years (FYs 2013 and 2014). MAP-21 will expire on September 30, 2014.

- According to the United States Department of Transportation (DOT), the Highway Account is expected to become insolvent by the end of August. A July 1, 2014 Federal Highway Administration memorandum to the states provided the procedures for reimbursement during a cash shortfall in the Highway Trust Fund. This memo stated that unless otherwise directed, cash management procedures will be implemented on August 1, 2014. Under this plan, reimbursements to states for infrastructure work will be limited to the available cash in the Trust Fund. Incoming funds will be distributed in proportion to each state's federal formula apportionment in the fiscal year.
- Some states have cut back on their Federally-supported capital projects in order to stabilize and protect their cash flow. To date, the Department decided not to advertise fifteen Federal-aid projects totaling almost \$70 million for the April, June and July lettings.

The Commission directed the Director to contact members of Congress to find out their thoughts on future highway finance. The Director was also instructed to try and schedule a meeting with the Congressional delegation, and other candidates for those positions, here in Little Rock for a round table discussion.

Director Bennett gave an update on the status of the 2011 Interstate Rehabilitation Program (IRP), Connecting Arkansas Program (CAP), and State Aid City Street Program. 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. Two 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 \$171 million (true interest cost of 2.2%) with a premium of \$29 million (total of \$200 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).

With the approval of the 0.5% Sales Tax for the Connecting Arkansas Program, 1 cent in motor fuel tax revenue (approximately \$20 million annually) is being set aside for a State Aid City Street Program. Projects are selected by the State Aid City Street Committee and are designed, let to contract, and inspected by the Department.

Director Bennett reported that the Department recently received notification that the Northwest Arkansas Economic Development District, through the support of State Representatives Jonathan Barnett and Mary Lou Slinkard, had approved a State General Improvement Fund (GIF) grant in the amount of \$200,000 for the purchase of an additional new generation snow and ice removal truck. The checks were received in a presentation from Representatives Barnett and Slinkard on July 7, 2014. The new "belly plow" will now be purchased and will be stationed at the Department's Maintenance Area Headquarters in Gentry (Benton County).

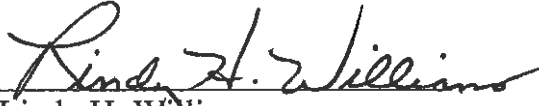
Director Bennett made a presentation on the status of development of Arkansas' Future Interstate Corridors. Future Interstates 49, 69 and 555 are all in various stages of development, and their costs are a part of the capital improvement portion of the Department's recently updated needs study. Director Bennett brought the Commission up-to-date on the development of all of these major corridors.

Director Bennett reported to the Commission the results of Interstate 40 Feasibility Study, North Little Rock to West Memphis. Minute Order 2012-126 dated May 20, 2012 authorized the Department to hire a consultant to study the feasibility of financing the widening of Interstate 40 with toll revenue. The study found that toll revenues would be far from sufficient in funding the widening of this facility if only the additional new lane is tolled. However, tolling Interstate 40 would be financially feasible if all three lanes in each direction could be tolled. The current Federal law prohibits tolling of existing lanes on Interstates. A Minute Order was passed adopting the study, and the Commission requested that Director Bennett forward the results of the study to the United States Department of Transportation.

2014-100

IT IS ORDERED that a meeting of the Arkansas State Highway Commission be closed at 1:55 p.m., July 23, 2014.

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 July 23, 2014.


Lindy H. Williams
Commission Secretary