

**MARYLAND TRANSPORTATION AUTHORITY
MONTHLY CAPITAL COMMITTEE MEETING
THURSDAY, JUNE 2, 2016
PT. BREEZE HEADQUARTERS BUILDING
BALTIMORE, MD**

OPEN SESSION

MEMBERS ATTENDING: William Ensor, III
W. Lee Gaines, Jr.
William K. Hellmann, P.E.
Michael J. Whitson (via telephone)

STAFF ATTENDING: Milt Chaffee
Deb Sharpless
Dan Williams
Will Pines
Dave LaBella
Abey Tamrat
Clay Gottlieb
Mark Travers
Jeanne Marriott
Dennis Simpson
John O'Neill
Donna DiCerbo
John Sales
Jaclyn Hartman
Meshelle Howard
Sabrina Beverley
Kimberly Millender, Esquire

OTHERS ATTENDING: Elizabeth Sogard, Stantec

At 9:04 a.m. the meeting of the Maryland Transportation Authority (MDTA) Capital Committee was called to order by Chairman Hellmann.

APPROVAL- OPEN SESSION MINUTES OF APRIL 7, 2016

Upon motion by Member Gaines and seconded by Member Ensor, the Open Session meeting minutes of the Capital Committee's Meeting held on April 7, 2016 were unanimously approved.

APPROVAL CONTRACTS

Contract No. HT 2822-000-006 - Substructure and Superstructure Rehabilitation to Various Bridges on I-895 North of Baltimore Harbor Tunnel to I-95

Mr. Dave LaBella presented this request seeking a recommended approval from the Capital Committee to present Contract No. HT-2822-000-006 - Substructure and Superstructure Rehabilitation to Various Bridges on I-895 North of Baltimore Harbor Tunnel to I-95 to the full MDTA Board at its next scheduled meeting.

The work to be performed under this Contract is located in Baltimore City, is for repairs to twenty-one (21) steel multi-beam bridges and eleven (11) reinforced concrete retaining walls located along the Baltimore Harbor Tunnel (BHT) Thruway (I-895), north of the tunnel, from the Boston Street overpass to the I-95 interchange. The bridges carry I-895 or local and state roads over city streets, State roads, interstates, several railroads including Amtrak, CSX, Norfolk Southern, and Canton Railroad, as well as the Herring Run and Moores Run waterways.

There are allowances of \$100,000 for Railroad Expenses and \$500,000 for Miscellaneous Repairs included in the Invitation for Bids (IFB). These allowances will only be used if necessary and with prior approval of the Engineer.

This project was advertised on March 7, 2016. Four (4) Bids were received on April 21, 2016, however, one (1) bid was rejected; therefore, the responsive Bid results were as follows:

<u>Contractor</u>	<u>Bid Amount</u>	<u>To Eng. Est.</u>
M. D. Miller Co., Inc. t/a The Marksmen Co.	\$8,510,768.00	(21%)
MBP Contracting Co., Inc.	\$9,869,375.00	(8%)
Joseph B. Fay Company	\$11,355,405.00	5%

The Engineers Estimate for this project is \$10,777,673.84. It was noted that the low bid was 21% below the Engineer's Estimate. M. D. Miller Co., Inc., t/a The Marksmen Co. is the lowest responsive and responsible bidder and is therefore recommended for award to the full Authority. An analysis of the bid compared to the Engineer's Estimate was performed by the Division of Engineering and the low bid submitted by The Marksmen Company was determined to be fair and reasonable. A bid justification was conducted and the bid has been determined to be fair and reasonable. This company has performed work on prior MDTA projects.

This solicitation was advertised with a Minority Business Enterprise (MBE) overall participation goal of Thirty-one percent (31%) with sub-goals of Seven percent (7%) for African American owned firms, Four percent (4%) for Asian American owned firms and a Veteran Small Business Enterprise (VSBE) participation goal of One percent (1%). The Marksmen Company has submitted MBE and VSBE plans that meet the goals. Notice-to-Proceed (NTP) for this contract is anticipated in July, 2016. The contract term is Seven Hundred Thirty (730) calendar days from Notice-To-Proceed.

After reviewing and discussing the differences between the Engineer's Estimate and the bid submitted by the recommended Contractor, upon motion by Member Whitson and seconded by Member Gaines, the Members unanimously recommended approval of this contract by the MDTA Board at its next scheduled meeting.

Contract No. HT 2649-000-006 - Tunnel Ventilation Fan Replacement

Mr. Will Pines and Mr. Abey Tamrat presented this request seeking a recommended approval from the Capital Committee to present Contract No. HT-2649-000-006 - Tunnel Ventilation Fan Replacement to the full MDTA Board at its next scheduled meeting.

The scope of this project is to construct new ventilation exhaust stacks and lightning protection and replace all tunnel ventilation fans, damper motors, electrical feeders, lighting, and roofs in the ventilation buildings of the Baltimore Harbor Tunnel. The new equipment shall be compliant with American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standards for road tunnel applications and upgraded in accordance with the latest requirements of National Fire Protection Association (NFPA) Standard 502 for smoke flow control during large vehicular fires and high temperature exposure. The facility will remain operational throughout the construction of the project.

There is an allowance of \$3,300,000.00 for Miscellaneous Repairs included in the Invitation for Bids (IFB). This allowance will only be used if necessary and with prior approval of the Engineer.

This project was advertised on November 18, 2015. Four (4) Bids were received on April 8, 2016 and the responsive Bid results were as follows:

<u>Contractor</u>	<u>Bid Amount</u>	<u>To Eng. Est.</u>
Cianbro Corporation	\$57,747,000.00	(6%)
Clark Construction	\$74,997,000.00	23%
W.M. Schlosser Company	\$79,699,008.00	30%
Kiewit Infrastructure	\$81,974,000.00	34%

The Engineers Estimate for this project is \$61,166,208.00. It was noted that the low bid was 6% below the Engineer's Estimate. Cianbro Corporation is the lowest responsive and responsible bidder and is therefore recommended for award to the full Authority. An analysis of the bid compared to the Engineer's Estimate was performed by the Division of Engineering and the low bid submitted by Cianbro Corporation, was determined to fair and reasonable. This company has performed work on prior MDTA projects.

This solicitation was advertised with an overall Minority Business Enterprise (MBE) participation goal of 10% with no sub-goals and a 0.5% Veteran Small Business Enterprise (VSBE) participation goal. Cianbro Corporation has submitted a MBE that exceeds the goal and a VSBE plan that meets the goal. Notice-to-Proceed for this contract is anticipated in August, 2016. The contract term is Two Thousand Five Hundred Fifty-Five (2555) Calendar Days from Notice-To-Proceed.

After reviewing and discussing the differences between the Engineer's Estimate and the bid submitted by the recommended Contractor, upon motion by Member Ensor and seconded by

Member Gaines the Members unanimously recommended approval of this contract by the MDTA Board at its next scheduled meeting.

Contract No. FT 2771-000-006 - Superstructure and Pier Modifications

Mr. Will Pines presented this request seeking a recommended approval from the Capital Committee to present Contract No. FT 2771-000-006 – Superstructure and Pier Modifications, request to increase the Delegated Authority to \$2,879,881.37 for extra work due to the incompatibility of the Micro-Pile Design and the existing ground conditions to the full MDTA Board at its next scheduled meeting.

The original construction budget reflected the low bid amount of \$5,754,144.00.

We are requesting approval to increase the delegated authority to \$2,879,881.37 or 50.05% for extra work due to the incompatibility of the Micro-Pile Design and the existing ground conditions. This extra work addresses contractor delay costs and construction costs associated with the Micro-Pile to H-Pile re-design. The revised authorized budget is \$8,634,025.37. This Extra Work Authorization will also grant a 328 compensable calendar day time extension to the Contract. The new contract completion date will be April 19, 2017.

This extra work authorization added \$2,879,881.37 for a new contract total of \$8,634,025.37. These additional funds will be utilized to cover costs associated with the incompatibility of the Micro-Pile Design and the existing ground conditions. This extra work addresses contractor delay costs and construction costs associated with Micro-Pile to H-Pile re-design.

Original Contract Amount	\$5,754,144.00
Delegated Authority Limit	\$ 575,414.00
Authorized Construction Budget	\$6,329,558.00
Requested Delegated Authority	\$2,879,881.37 or 50.05%
Authorized Construction Budget	\$8,634,025.37

Upon motion by Member Gaines and seconded by Member Ensor, the Members unanimously recommended approval to increase the Delegated Authority to \$2,879,881.37 for extra work due to the incompatibility of the Micro-Pile Design and the existing ground conditions to the MDTA Board at its next scheduled meeting.

In light of the presentation regarding the replacement of the tunnel vent fans, Ms. Sharpless proposed having the Capital Committee meetings at various MDTA facilities to provide an opportunity for the Members to tour the facilities.

Upon motion by Member Ensor and seconded by Member Whitson, the Members unanimously recommended hosting the July 14th Capital Committee Meeting at the Fort McHenry Tunnel (FMT).

CTP DEVELOPMENT PROCESS

Ms. Jeanne Marriot updated the Capital Committee on the development of the Consolidated Transportation Program (CTP). This information will be presented to the Finance Committee on June 14, 2016. Every year the Maryland Transportation Authority (MDTA) releases the CTP. The CTP presents MDTA's ongoing and new capital projects for a six-year period (the current year, the upcoming budget year, and the four succeeding planning years) for all MDTA facilities.

After approval by the MDTA Board in June of each year, the Draft CTP is presented to local elected officials and citizens in September through November throughout Maryland for review and comment. It is then revised and submitted, after MDTA Board approval in November, as the Final CTP as part of the Governor's budget to the Maryland General Assembly in January. This process is required by statute and applies to MDTA as well as the other MDOT business units.

The CTP is separated into three parts:

1. Construction Program - Major Projects,
2. Development and Evaluation (D&E) Program - Major Projects, and
3. System Preservation - Minor Projects.

Major projects are listed individually. Minor projects are grouped and shown by facility.

The Construction Program - Major Projects and System Preservation - Minor Projects programs include ongoing projects and those projects which are scheduled to begin construction within the six-year period. Only those projects that the MDTA can afford to complete, given the most recent revenue forecast, are included in the CTP. Project work phases included in the CTP are engineering, right-of-way acquisition, and construction. Previously the planning phase was included in the CTP but is now part of the operating budget.

The D&E Program contains those major projects which are being prepared for possible future addition to the Construction Program. Work included in the D&E Program is primarily preliminary design (up to 60% complete plans). Projects are moved from the D&E Program to the Construction program as funds and resources become available, based on the merits of the projects.

Currently, there are two D&E projects in MDTA's CTP.

1. US 301 Harry W. Nice Memorial Bridge Replacement, and
2. Eastbound Bridge Deck Rehabilitation of the US 50/301 Bay Bridge.

MDTA's capital projects originate from a variety of sources.

- Long-range capital needs
- Inspection findings
- Regulatory compliance
- Increased capacity needs
- Local Priority Letters/Legislative requests

The Long Range Capital Needs (LRCN) is primarily a list of planned rehabilitation or replacement projects based on life cycle. The Division of Project Planning and Program Development (DPPPD), the Office of Engineering and Construction (OEC), the Division of Operations, and other stakeholders annually review the useful life of facility components and estimate costs and timelines to rehabilitate or replace the components. The expected useful life of a component does not provide an exact expiration date, but gives an idea of when the MDTA should begin planning and budgeting to address it.

Inspection findings are used in tandem with life cycle estimates to confirm rehabilitation or replacement is necessary as scheduled or to expedite a project when it is needed ahead of schedule. Additionally, inspections can reveal the opportunity for smaller scale repairs that can prevent a facility or component from degrading to the point of needing replacement via a larger, more expensive design-bid-build project. These small scope repairs can be diverted to on-call contracts. On-call contracts are a critical part of the program approach to system preservation.

The remaining sources – regulatory compliance, capacity needs, and local priorities – make up a smaller proportion of the CTP. Regulatory compliance includes projects for EPA-mandated storm water management. Increased capacity needs are based on traffic forecast recommendations. Local priorities are established each year as counties are asked to submit a list of priorities for the state transportation system. Generally, these priority letters include the concurrence signatures of the legislative delegation representing that county.

Once identified, projects are prioritized based on customer needs for safety and security, or increased capacity through improvements, or system preservation. The current CTP is primarily system preservation oriented.

Funding availability to budget for identified projects is based on the MDTA's six-year financial forecast, which takes into account estimates of traffic and revenue (prepared annually), the operating budget and capital budget, debt service payments, the potential need for future bond sales and toll increases, and compliance with financial standards (Trust Agreement rate covenant, debt service coverage, unrestricted cash balance).

A Project Action Form (PAF) with budget, scope, and schedule is used to request a project be added to the capital program.

Is design far enough along to provide an accurate construction estimate?

- If design is at 60% or greater – fund for design, right-of-way acquisition (if needed) and construction.
- If design is not yet at 60% – fund for design only and hold construction and right-of-way funding in Allocated Reserves. This allows greater flexibility in allocating resources as accurate cost estimates are not available until 60% design.

The project is added to the CTP only after the PAF is approved.

- Chief Engineer, Office of Engineering and Construction
- Budget Director, Office of Finance

- Director, Division of Planning and Program Development
- Depending on the origin and/or nature of the project, a fourth approval is required from one of the following.
 - Director of Operations
 - Chief of Police
 - Director of Information Technology
 - Director of Business Planning, Policy & Performance

DRAFT FY 2017-2022 CONSOLIDATED TRANSPORTATION PROGRAM

Ms. Jeanne Marriott presented this request seeking a recommended approval from the Capital Committee to present the proposed Draft FY 2017-2022 CTP to the full MDTA Board for approval. The Draft CTP will also be presented to the Finance Committee for recommendation for approval to present to the full MDTA Board for approval.

The six-year FY 2017-2022 budget in the proposed CTP is \$2.0 billion. The proposed CTP reflects a net increase in the six-year FY 2017-2022 budget of \$94.6 million. The net FY 2017-2022 increase is the result of the following changes:

- Increase in the six-year CTP budget by \$231.5 million for all projects except ICC, ETL, and reserves.
- Decrease in the allocated and unallocated reserves by \$136.3 million.
- A small shift of the ETL budget by \$610 thousand from FY 2017 to FY 2016.

The proposed CTP reflects a net increase in the six-year FY 2016-2021 budget of \$123.3 million over the same six-year period in the Final FY 2016-2021 CTP. The net FY 2016-2021 increase is the result of the following changes:

- Increase in the six-year CTP budget by \$217.8 million for all projects except ICC, ETL, and reserves.
- Decrease in the allocated and unallocated reserves by \$94.5 million.
- There were no changes to the ICC and ETL budgets in the FY 2016-2021 period.

Listed below are the highlights of the project and reserve changes that have been incorporated in the proposed Draft FY 2017-2022 CTP.

Added New Projects

Added one enhancement project and nineteen system preservation projects for a total of \$48.1 million transferred from the reserves.

Added Construction Phase

The construction phase of thirteen projects was funded for a total of \$178.2 million transferred from the reserves as design reached 60% level and cost estimates were developed based on fully developed scopes.

Modified Budgets to Reflect Bids Received

Transferred \$8.1 million to CTP reserves which is the net result of construction budget adjustments due to bids received. Five contracts came in lower than Engineer's Estimate, which resulted in budget reductions of \$10.8 million while four contracts came in higher than Engineer's Estimate, which resulted in budget increases of \$2.7 million.

Modified Budget to Reflect Completed Projects

Eight projects were completed and one project transferred to an on-call contract for a net reduction of \$2.1 million.

Modified Active Projects Due to Cost Changes and Cash Flow Adjustments

Adjusted cash flows and funded changes in engineering and/or construction budgets for thirty-eight projects for a net budget decrease of \$1.0 million.

Reserve Change

The unallocated reserves decreased by \$0.8 million and the allocated reserves decreased by \$135.5 million for a net decrease of \$136.3 million.

FY 2016 expenditures are projected to be at \$266.4 million vs. \$279.5 projected in the Final FY 2016-2021 CTP. FY 2016 underspending is projected to be \$13.1 million and has been rolled over into the Draft FY 2017-2022 CTP.

The proposed Draft FY 2017-2022 CTP reflects an increase of \$123.3 million in the six-year FY 2016-2021 budget and an increase of \$94.6 million in the six-year FY 2017-2022 budget both of which include the rollover of FY 2016 unspent funds (\$13.1 million).

Upon a motion by Member Ensor and seconded by Member Gaines, the Members unanimously recommended approval of the Draft FY 2017-2022 Consolidated Transportation Program (CTP) by the MDTA Board at its next scheduled meeting.

There being no further business, the meeting of the MDTA Capital Committee was adjourned by general consensus at 10:23 a.m. following a motion by Member Gaines and seconded by Member Ensor.

The next meeting of the MDTA Capital Committee is scheduled for Thursday, July 14, 2016 at 9:00 a.m. at Point Breeze Headquarters, 2310 Broening Highway, Baltimore, Maryland.