SPECIAL BOARD MEETING
OF THE
STATE TRANSPORTATION BOARD
11:00 A.M., Tuesday, November 9, 2004
Arizona Department of Transportation
State Transportation Board Room, Room #147
206 South 17th Avenue
Phoenix, Arizona 85007

The State Transportation Board met in official session for a special board meeting at 11:00 a.m., Tuesday, November 9, 2004, with Chairperson Jeffers presiding. Other Board members present included: Vice Chairperson Rusty Gant, Dick Hileman, Delbert Householder, Joe Lane, Jim Martin and Si Schorr. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; John McGee, Chief Financial Officer, Administrative Services Division; Dale Buskirk, Director, Planning Division; and Mike Ortega, State Engineer. There were approximately 40 people in the audience.

Chairperson Jeffers welcomed those present and led the audience in the Pledge of Allegiance.

CONSTRUCTION CONTRACTS

Last month, Mr. Ortega asked that this construction contract for the freeways be tabled until questions were answers. After the questions were addressed, the item was presented for a vote.

BIDS OPENED:	September 23	
HIGHWAY:	SANTAN FREEWAY (SR 202L)	
SECTION:	Gilbert Road – Frye Road	
COUNTY:	Maricopa	
ROUTE NO:	SR 202	
PROJECT:	STP-202-C(009)B 202 MA 041 H591201C	
FUNDING:	82% Federal 16% State 2% Town of Gilbert	
LOW BIDDER:	FNF Construction, Inc.	
AMOUNT:	$	50,458,079.70
STATE ESTIMATE:	$	47,920,000.00
$ OVER:	$	2,538,079.70
% OVER:		5.3%
NO. BIDDERS:		2
RECOMMENDATION:	AWARD	

Board Action: A motion to approve the above recommendation was made by Mr. Lane, seconded by Mr. Gant and passed unanimously. (Mr. Schorr recused himself from this item.)

ADJOURN

Board Action: A motion to adjourn was made by Mr. Hileman, seconded by Mr. Gant and passed unanimously.

The meeting adjourned at 11:10 a.m.

Bill Jeffers, Chairperson
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

MINUTES OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
11:10 A.M., Tuesday, November 9, 2004
Arizona Department of Transportation
Board Room
206 South 17th Avenue
Phoenix, Arizona 85007

The State Transportation Board met in official session for a study session at 11:10 a.m., Tuesday, November 9, 2004, with Chairperson Jeffers presiding. Other Board members present included: Vice Chairperson Rusty Gant, Dick Hileman, Delbert Householder, Joe Lane, Jim Martin and Si Schorr. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; John McGee, Chief Financial Officer, Administrative Services Division; Dale Buskirk, Director, Planning Division; and Mike Ortega, State Engineer. There were approximately 40 people in the audience.

Chairperson Jeffers welcomed those present and led the audience in the Pledge of Allegiance.

State Highway Status and Condition Report
Mr. Buskirk shared maps with board members for this report on the 2003 Status and Condition of the Arizona Highway System including annual average daily traffic, functional classification of the State Highway System, the level of service (by district), road conditions, present serviceability ratings and bridge conditions.

Five Year Construction and Facilities Program, Subprograms Review and Proposed Monetary Amounts for FY 10
Mr. Burnham presented two specific items for discussion, utilization and the re-evaluation of subprograms and three subprograms that consistently came up as issues throughout the year. A study is underway to evaluate the utilization and budgets and if the funds are being used as intended. Subprograms are budgeted line items of specialty programs that deal with fulfilling ADOT's responsibilities to the State Highway. As the subprogram projects become more defined, they are brought in as a project to the five year construction program. Subprogram amounts were reported for FY 2006 through 2009 and recommendations for FY 2010. Three issues consistently reoccurring this year included scoping, passing lanes and district minor projects. There is $1 million in the scoping subprogram to cover cost increases of ongoing scoping projects. There is no money for additional scoping studies. Due to lack of programming budgeted line items, large scoping projects have been falling short. If money is to be spent on scoping, it has to come from somewhere, making choices difficult. An internal committee is working on a recommendation as to which subprograms should be funded and to what level, especially the scoping issue. It was suggested that passing lanes be formalized as a subprogram. With costs from $1.5 million to $3 million, money would be set aside to set up passing lanes. Districts want to increase their programs. With ten districts, a $10 million increase from major reconstruction and other areas may be brought forward at a later date after further analysis. In conclusion, there are requests for new and expansion of programs. With no new money, funding sources need identified.

2003 Passing Lane Prioritization Update and 2003 Climbing Lane Prioritization Update
Mr. Burnham distributed two documents, the 2003 Passing Lane Prioritization Update and the 2003 Climbing Lane Prioritization Update. The study began a year ago and was completed in May 2004. It contained the passing lane needs and priority ranking for climbing lanes on the highways in order to begin including them in the five year construction program. All ADOT districts were included. A prior study was done and this report contains an update. Changes and comments were noted in the report after discussions with the districts. Passing lanes are additional lanes on the highway utilized to deter traffic back-ups. Climbing lanes deal with terrains of 2% grades or more. The study was accepted by the districts and overall there was concurrence with using the computer analysis and field study. Climbing lanes may compete with major projects and passing lanes is what is recommended for subprograms. A discussion ensued regarding truck traffic, highway signage and regulations. It will take an act of legislation to restrict large trucks to the right hand lane. ADOT and DPS are supportive of this idea.

Hoover Dam Bypass Video
An event was held at the Hoover Dam to celebrate progress made to date on the bypass and to keep the funding issues in the forefront. An agreement was signed with the Federal Highway Administration and Nevada to finance the bridge at about $100 million and the issue is to make sure the delegation from both states don't forget that commitment. The federal government is asked to pay back that money over the next ten years or sooner. In preparation for the "Bridging Greatness" ceremony on October 20, 2004, a video was developed to show progress and was shown. The Governor, ADOT and various Congressmen have supported the project. The Arizona approach contract is to be completed contractually by December 15. The Nevada approach will be done in October 2005. The bridge project was just awarded with the notice to proceed occurring in January 2005. The schedule is due to be complete in 2008. It was noted that Senator Kyl is proud of the Hoover Dam project.

Statewide Access Management Plan
An overview of access management was presented. The way a roadway functions is largely due to the adjacent land uses that that transportation facility is serving. Access management is the regulation of vehicular access to public highways from adjoining property. The main benefits of an access management plan are the preservation of safety and efficient traffic movement. As Arizona continues to rapidly grow and develop, the operational integrity of the State Highway System is being challenged by that development. If we want to preserve the operational integrity of the State Highway System, we have to implement access management in appropriate situations. The transportation planning division prepared a white paper overview on access management and presented to ADOT management, to the Federal Highway Administration and the State Transportation Board today. Indicators of poor access management were noted. Ms. Slaker presented slides for review. As a reminder, access management attempts to manage access in order to maintain the operational integrity of the roadway and provide appropriate access to adjacent land uses. Examples of studies completed since 1991 were shared. Benefits of access management were noted. Techniques to manage access management were outlined. Currently fourteen states have access management programs. Elements of a successful access management program include an access classification scheme, classification of all highway segments, access design and spacing standards, efficient permitting process and uniform application. There should be an appeals process in place and a variance process. It would require a commitment from all the operating divisions within the Department of Transportation to have a successful, comprehensive access management program. Next steps would be to develop a statewide technical advisory committee, develop procedures for coordination with stakeholders, identify financial strategies and improve funding, develop a statewide access

classification system, prepare a comprehensive access guidelines and standards, address shortfalls, develop new statutory provisions if necessary, include access management consideration explicitly in the project selection and programming process for the five year construction program and make access management studies part of an overall statewide plan outlining priorities, implementation and funding. In conclusion, access management is critical to the continued operation of the State Highway System. There is a need for a statewide access management program to deal with the issue comprehensively and in a coordinated fashion and there are several stakeholders requiring significant coordination of local, state and federal agencies. And only with this coordination, will it be possible. There was a question whether legislation was required, which will require stakeholder support.

Access Management Plan Status and Overview for Northwestern Arizona – Kingman District

Mr. Elters, District Engineer/Kingman, Intermodal Transportation Division presented an overview of the corridors within northwestern Arizona, which have initiated access management plans. Four corridors were discussed: SR 68, US 93 north, US 93 south and SR 95. An access management study for SR 68 was completed in 2000. The district presented it to the Mohave County Board of Supervisors which adopted it. It is being implemented in close coordination with Mohave County. The point is to delay the need for traffic signals on SR 68 as long as possible and allow it to continue operating as a state route. Preservation of the state highway and following policy and vision is of utmost importance. A developer wanted to do a land exchange with an area of US 93. Through meetings and collaborations, it was determined that the preservation and integrity of US 93 was important. It was agreed that there would only be two more access points in addition to the current five along a seven mile long frontage. A US 93 study is being finalized. Several slides were shown and discussed noting the need for access management. SR 95 is the second access management in the area south of I-40 in collaboration with Mohave County and Lake Havasu City. The city adopted the study. Mohave County is in the process of adopting the study. This balanced approach is an effective way to preserve the State Highway System. In conclusion, with the region growing, access management is critical. A sense of urgency is required as we all take responsibility to maintain the efficiency and preserve the integrity of the highway system. Mr. Elters recommended the adoption of the access management studies and funding as well as the development of a statewide access management plan, guidelines and policies.

Round 12, Transportation Enhancement Review Committee (TERC) Recommendations for the Round 12 Local and State Projects

Mr. Schorr recused himself from discussing this item. Ms. Banta shared a handout overview of the enhancement applications submitted and the recommendations that will be submitted to the State Transportation Board for final approval at the November 19, 2004, State Transportation Board Meeting. On October 8, 2004, the Transportation Enhancement Review Committee (TERC) met and recommended projects for Round 12 for the Transportation Enhancement Program. Mr. Martin serves as chair of this Committee. Additional members were identified and include thirteen voting members. Forty nine local projects were submitted and with available funding, TERC recommended thirteen projects. The balance of the projects and amount available was shared. Projects not recommended at this time were included in the handout in rank order. The percentage of local projects recommended was presented. There were twenty six state projects submitted and seven recommended. The remaining projects not recommended due to funding are listed in the handout in rank order. The percentage of state projects recommended was presented. Recommended projects by activity were shared. Activity number one was by far the most popular, provision of facilities for pedestrians and bicycles. The TERC's

recommendation is thirteen of forty nine local projects submitted and seven of the twenty six state projects submitted. All the projects will be FY08 projects. Mr. Martin reported that the TERC committee will undergo a self evaluation.

Call to the Audience

There were no comments.

Adjournment

No closing comments were made. Mr. Jeffers closed the study session.

Bill Jeffers, Chairperson
State Transportation Board

Victor Mendez, ADOT Director
Arizona Department of Transportation

MINUTES
OF THE
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, November 19, 2004
The Morenci Club (In the Morenci Plaza next to Bashas)
Burro Alley
Morenci, Arizona 85540

The State Transportation Board met in official session for a regular meeting at 9:00 a.m., Friday, November 19, 2004, with Chairperson Bill Jeffers presiding. Other Board members present included: Vice Chairperson Rusty Gant, Dick Hileman, Joe Lane, Jim Martin and Si Schorr. Delbert Householder was absent. Also present were John McGee, Chief Financial Officer, Administrative Services Division; Dale Buskirk, Director, Planning Division; Mike Ortega, Barclay Dick, and Debra Brisk, Deputy Director. Director Victor Mendez was absent. There were approximately 50 people in the audience.

OPENING REMARKS AND PLEDGE

Chairperson Jeffers led the audience in the Pledge of Allegiance and thanked Morenci and the Board of Supervisors for their hospitality. He then introduced dignitaries in the audience.

DISTRICT ENGINEER'S REPORT

Ron Casper, District Engineer for Morenci provided an update on projects and issues of regional significance and thanked those responsible for the success of their efforts. In the five year plan, an account was set up for scenic routes and for structuring maintenance contracts. Mr. Casper encouraged ADOT to consider extending these funds. The forest service conducts environmental and drainage studies as well as additional projects in partnership with Morenci. Greenlee County experienced a fuel spill that put the Coronado Trail out of commission for about three months. With ADOT's help, the trail was back in operation prior to hunting season. Future projects include paving of the road in front of Phelps Dodge entrance and the Sand Wash Bridge widening. The challenge will be to coordinate this project with the "Crown Jewel" bridge replacement project. Mr. Harman continued the report detailing the bridge projects, the fuel spill, the Phelps Dodge Morenci Mine project and the necessity for a detour and switchbacks and the Black Hills Back County Byway.

AWARD

Ron Casper was presented with a 40 year service award by Chairperson Bill Jeffers and Mike Ortega.

CALL TO AUDIENCE

Hector Ruedas, Greenlee Supervisor, thanked ADOT and asked for a continuation of funds past 2006 for the forest account project, US-191, Coronado Trail. This scenic road is an important tourist attraction.

Jim Plyler, Senior Engineer, Phelps Dodge, spoke on behalf of Phelps Dodge and as President of the Morenci School Board. He thanked the transportation board for phase I of Black Hills realignment among other projects. Phelps Dodge mines copper and their employees are their most valuable resource. Getting them to and from work is very important. Road improvements are making it safer for employees and for students at the school. Mr. Plyler encourages support for upcoming projects, the Morenci entrance, phase II of the Black Hills realignment and completion of the divided highway between Safford and I-10 and 191 North of Morenci.

Jim Palmer, Chairman, Board of Supervisors, noted that Highway 191 is an important corridor to Graham County and the entire region and appreciates the work done on the Black Hills realignment. Highway 191 going south is the link between Graham and Greenlee County and I-10. A remaining concern is that one segment of the project has not been programmed, segment two. He expressed a desire for a five lane stretch of highway on 70 going east from Safford. Phelps Dodge broke ground on their new central analytical center, serving all of their North American mines, causing the highway to become busier and the bridges are narrow and inadequate. Swift Trail forest money is due to expire in 2006. As a result of the fire on Mount Graham last summer, it has brought to the forefront, glaring needs on that road. Drainage problems are alarming. Mr. Palmer asked that forest account money be extended to continue addressing the needs of the trail.

Jay Howe, Chairman, La Paz, Board of Supervisors, expressed sincere gratitude for the professionalism of the staff in working with La Paz County and other rural areas in Arizona.

Ray Cueto, is concerned with highway safety. A crosswalk was removed on Highway 191 in Clifton. Children are crossing the highway and are jay walking. He asks that this project remain a priority.

Bonnie Winslow, Assistant Field Manager, Bureau of Land Management, Safford Office, is responsible for the Black Hills back country byway. Due to an increase in the number of hiking trails and the number of recreation visitors, there is a need to provide a safe way of getting to the trails. The section paved by ADOT is appreciated. Turing off Highway 191 with a trailer in tow, causes the trailer to stick out in traffic. As more people are coming to the area, help to improve access in that section is appreciated.

Owen Martin, Recreation Manager, Forest Service, thanked the three-way maintenance organization employees for their partnership and efforts in maintenance and management of forest highways.

CONSENT AGENDA

Mr. Jeffers removed Items 37, 42 and 48 from the Consent Agenda.

Mr. Schorr recused himself from Items 42, 43, 46, 47, 48 and 49.

Director's Report

Debra Brisk, Deputy Director summarized ADOT's Leadership Conference held on November 10, 2004. The focus was to reinforce ADOT's commitment to collaborate with the public, local government and other stakeholders. The conference included presentations by the Governor's staff, a panel discussion on public involvement and public trust. The executive order on water reduction

was distributed, requiring state agencies to cut back usage by 5%. Interviews were held for a public transportation division director. A selection will be made within the next thirty days.

Financial Report

John McGee provided summary reports on revenue collections for Highway User Revenues and Maricopa Transportation Excise Tax Revenues, comparing fiscal year results to last year's actuals and forecasts, and reported on interest earnings, HELP Fund status, and other financial information relative to the Board and Department. For the month of October, HURF collections totaled $98.8 million, exceeding last October's collections by 9.8 percent and the forecast by 3.9 percent. HURF collections through October totaled $397.2 million, an increase of 7 percent over the same period last year and 2.5 percent above the estimate. Every category is exceeding last year and is ahead of forecast. Strong growth is seen in commercial tax categories, an indication of the strength in the state and national economy. September RARF collections totaled $24.5 million, an increase of 7.9 percent over September 2003 and 0.3 percent above the estimate. Year-to-date collections total $74.5 million, an increase of 8.6 percent over last year and 0.9 percent over the estimate. The strength is in contracting due to the low interest rate environment.

Investment Report

For the month of September, interest income totaled $1.2 million representing 1.86 percent average return for the year. Year-to-date earnings total $3.2 million representing an average rate of return of 1.84 percent. The recent short term interest rate is helping to raise interest earnings.

As of October 31, 2004, the HELP fund balance totals $104.8 million, an increase of approximately $5 million from the September balance.

Financing Program

Mr. McGee reported a successful close of a $104.4 million 2004B GAN Issue. The board's financial advisor, Kurt Freund noted that the average life of this Issue was eight years and the interest rate achieved was 3.36 percent. That is the lowest financing rate ADOT achieved on a GAN Issue. It is also among the lowest financing rates achieved on any financing. The Issue priced on October 26 and closed successfully on November 10. The maturity dates were presented as well as several graphs comparing previous transactions, distribution of notes, pricing market conditions and final debt service structure. Also presented was a chart identifying HELP loans and pending applications as of November 19, 2004, totaling $509 million meeting the board's statutory obligation of allocating 50 percent of loan capacity to the MAG region, 25 percent to PAG and 25 percent to statewide projects.

HELP Loan

John McGee presented a resolution to the Board to accept and approve a highway expansion and extension loan application from the Town of Marana, Arizona and authorizing a loan repayment agreement. The loan would be for $7 million. The term of the loan is for five years with approximately 75 percent of the principal being paid within three years. The proceeds of the loan will be used to improve approximately one mile of road within Marana on North Thornydale Road

from West Orange Grove Road to Ina Road. The project would begin November 2005 and be completed one year later. The project is recommended by the Technical Advisory Committee where it received a rating of 87.7 and on November 8, the HELP Advisory Committee reviewed the application and voted unanimously to recommend acceptance by the Board.

Board Action: Mr. Schorr moved that the Board approve the above application for financial assistance from, and loan repayment agreement with the Town of Marana for the Thornydale Road reconstruction project. Mr. Gant seconded the motion. The motion carried unanimously.

HELP Loan

John McGee presented a resolution to the board to accept and approve a highway expansion and extension loan application from the Department of Transportation and authorizing a loan repayment agreement. The loan would be for $18.5 million. The term of the loan would be for approximately four and one half years with approximately 75 percent of the loan being repaid within four years. The proceeds of the loan would be used to accelerate major improvements to I-10 from Pinal Air Park Road to the Marana TI. The ability to utilize the loan is conditional on the Board approving agenda item 14 today which moves two projects. Approximately $5.2 million of the loan is conditioned on the Board programming a like amount of funds for this project in the Board's 2006-2010 Five Year Transportation Facilities Construction Program. These additional funds are needed to fully fund the project. The project was reviewed by the Technical Advisory Committee and received a score of 81.9. The HELP advisory committee reviewed the application and voted unanimously to recommend acceptance by the Board.

Board Action: Mr. Schorr moved that the Board approve the above application for financial assistance from, and loan repayment agreement with the Arizona Department of Transportation for the I-10, Pinal Air Park Road to Marana TI. Mr. Hileman seconded the motion. The motion carried unanimously. (Mr. Martin recused himself from this Item.)

***MINUTES - APPROVAL**

August 20, 2004 – Board Meeting Minutes
September 7, 2004 – Study Session Minutes
September 17, 2004 – Board Meeting Minutes

2004 BOARD MEETING DATES AND LOCATIONS

November 19, 2004	**Board Meeting – Greenlee Cty**	**9:00 a.m.**
December 7, 2004	**Study Session – Phoenix**	**1:00 p.m.**
December 17, 2004	**Board Meeting – Tucson**	**9:00 a.m.**
January 6, 2005	**Study Session – Phoenix**	**9:30 a.m.**
Due to scheduling difficulties, this meeting will be cancelled.		
January 21, 2005	**Rural Transportation Summit & Board Meeting – Bullhead City**	**10:30 p.m.**

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

Recommended Economic Strength Projects (ESP) - FY 2005 Round 1

Two projects selected for recommendation are in Lake Havasu City and at Williams Gateway Airport in the Phoenix area. The projects were detailed in the Board packet.

Board Action: A motion to approve the above recommendation was made by Mr. Hileman, seconded by Mr. Gant and passed unanimously. (Mr. Schorr recused himself from this Item.)

Recommended Transportation
Enhancement Review Committee (TERC)
local and statewide project selections

These Round 12 prioritized projects were presented to the Board in study session, were reviewed by the Priority Planning Advisory Committee and are recommended for approval.

Board Action: A motion to approve the above recommendation, with the exception of Item number 6 was made by Mr. Gant, seconded by Mr. Lane and passed unanimously. (Mr. Schorr recused himself from this Item.)

Item number 6 was submitted by PAG, the sponsor is Pima County and it is in the scenic category of the twelve categories of transportation enhancement activities. The project is a proposed acquisition of 366 acres of land currently privately owned. The zoning on the land is general rural. The scenic acquisition would protect habitat.

Board Action: A motion to table this item was made by Mr. Gant, seconded by Mr. Hileman and agreed unanimously.

FY 2005 - 2009 Transportation Construction Program - Requested Modifications

COUNTY:	Statewide	Page #
SCHEDULE:	2005	
SECTION:	Statewide Highway Emergency Fund	
TYPE OF WORK:	Emergency project contingency	
PROGRAM AMOUNT:	$ 800,000	
PROJECT MANAGER:	Mike Ortega	
PROJECT:	Item #; 72105	
REQUESTED ACTION:	Increase program amount by $800,000 to $1,600,000 due to numerous emergency projects this fiscal year. **Funds available from the FY 2005 Program Adjustment Fund # 72305.**	

PROGRAM AMOUNT:	$800,000
INCREASE AMOUNT:	$800,000
NEW PROGRAM AMOUNT:	$1,600,000

Board Action: A motion to approve the above recommendation was made by Mr. Gant, seconded by Mr. Hileman and passed unanimously.

ROUTE NO:	SR 90 @ MP 306.00	Page #
COUNTY:	Cochise	
SCHEDULE:	FY 2005 – New Project Request	
SECTION:	Whetstone	
TYPE OF WORK:	Concrete channel Lining	
PROGRAM AMOUNT:	New Project Request	
PROJECT MANAGER:	David Harmon	
PROJECT:	H627101C	JPA #04-089
REQUESTED ACTION:	Establish a new district minor project in the amount of $302,000 in the FY 2005 Highway Construction Program. **Funds available from the FY 2005 District Minor Fund #73305.**	
NEW PROGRAM AMOUNT:		$302,000

Board Action: A motion to approve the above recommendation was made by Mr. Martin, seconded by Mr. Schorr and passed unanimously.

ROUTE NO:	SR 77 @ MP 373.20	Page #
COUNTY:	Navajo	
SCHEDULE:	2005	
SECTION:	14 Mile Hill - 5 Mile Wash	
TYPE OF WORK:	Pavement preservation	
PROGRAM AMOUNT:	$ 2,455,000	
PROJECT MANAGER:	Haldun Guvenen	
PROJECT:	H614601C Item #; 18205	
REQUESTED ACTION:	Increase program amount by $400,000 to $2,855,000 due to updated Project Assessment cost and an increase in the unit cost of asphalt. **Funds available from the FY 2005 Pavement Preservation Fund #72505.**	
PROGRAM AMOUNT:		$2,455,000
INCREASE AMOUNT:		$400,000
NEW PROGRAM AMOUNT:		$2,855,000

Board Action: A motion to approve the above recommendation was made by Mr. Hileman, seconded by Mr. Gant and passed unanimously.

ROUTE NO:	SR 260 @ MP 280.00	Page #
COUNTY:	Gila	
SCHEDULE:	FY 2005 – New Project Request	
SECTION:	Gordon Canyon Bridge & Mogollon Rim Viaduct	
TYPE OF WORK:	Erosion Mitigation	
PROGRAM AMOUNT:	New Project Request	
PROJECT MANAGER:	John Sterner	
PROJECT:	H590601C	
REQUESTED ACTION:	Establish a new erosion mitigation project in the amount $337,000 in the FY 2005 Highway Construction Program. **See funding sources below.**	

PROGRAM AMOUNT:	New Project
FY 2005 District Minor Fund #73305	$50,000
FY 2005 Bridge Scour Fund #71505	$100,000
FY 2005 Pavement Preservation Fund #72505	$137,000
FY 2005 Rockfall Containment Fund #77005	$50,000
NEW PROGRAM AMOUNT:	$337,000

Board Action: A motion to approve the above recommendation was made by Mr. Martin, seconded by Mr. Lane and passed unanimously.

ROUTE NO:	I-10 @ MP 232.00	Page #
COUNTY:	Pima	
SCHEDULE:	FY 2008 & FY 2009	
SECTION:	Pinal Air Park to Marana	
TYPE OF WORK:	Construct inside lane widening	
PROGRAM AMOUNT:	$13,305,000 FY 2008 $7,920,000 FY 2009 $5,385,000	
PROJECT MANAGER:	Laurel Parker	
PROJECT:	H458203C Item # 10108 & 11209	
REQUESTED ACTION:	Advance project to FY 2006. Acceleration dependent upon HELP loan approval.	

Board Action: A motion to approve the above recommendation was made by Mr. Gant, seconded by Mr. Hileman and passed unanimously. (Mr. Schorr recused himself from Item 14.)

ROUTE NO:	SR 280 0.00	Page #
COUNTY:	Yuma	
SCHEDULE:	2006	
SECTION:	I-8 to B-8	
TYPE OF WORK:	Reconstruct roadway	
PROGRAM AMOUNT:	$ 7,700,000	
PROJECT MANAGER:	Mike Bruder	
PROJECT:	H604201C Item #; 13504	

REQUESTED ACTION:	Reduce program amount by $141,345 to $7,558,655. **Funds return to the FY 2006 Program Adjustrment Fund #72306.**	
PROGRAM AMOUNT:		$7,700,000
DECREASE AMOUNT:		$141,345
NEW PROGRAM AMOUNT:		$7,558,655

ROUTE NO:	SR 280 0.00	Page #
COUNTY:	Yuma	
SCHEDULE:	Underway Program	
SECTION:	I-8 to B-8	
TYPE OF WORK:	Design roadway reconstruction	
PROGRAM AMOUNT:	$ 400,000	
PROJECT MANAGER:	Mike Bruder	
PROJECT:	H604201D Item #; 16203	
REQUESTED ACTION:	Increase program amount by $141,345 to $541,345. **Funds available from the FY 2006 Program Adjustrment Fund #72306. Capacity to advance funds are available from previous program adjustments.**	
PROGRAM AMOUNT:		$400,000
INCREASE AMOUNT:		$141,345
NEW PROGRAM AMOUNT:		$541,345

Board Action: A motion to approve Items 15 and 16 was made by Mr. Hileman, seconded by Mr. Gant and passed unanimously.

ROUTE NO:	I-10 @ MP 328.00	Page #
COUNTY:	Cochise	
SCHEDULE:	2005	
SECTION:	Red Bird Hills - West Willcox TI	
TYPE OF WORK:	Pavement Preservation	
PROGRAM AMOUNT:	$ 3,080,000	
PROJECT MANAGER:	Ray Leon	
PROJECT:	H613401C Item #; 17205	
REQUESTED ACTION:	Delete project from the FY 2005 Highway Construction Program. Project scope and budget to be combined with adjacent project. **Funds return to the FY 2005 Pavement Preservation #72505.**	

ROUTE NO:	I-10 @ MP 322.00	Page #
COUNTY:	Cochise	
SCHEDULE:	2005	
SECTION:	Johnson Road TI - Red Bird Hills (EB)	
TYPE OF WORK:	Pavement Preservation	
PROGRAM AMOUNT:	$ 1,989,000	
PROJECT MANAGER:	Ray Leon	

PROJECT:	H613301C Item #; 17105
REQUESTED ACTION:	Increase program amount by $3,762,000 to $5,751,000 due to the addition of scope and budget from the I-10 Red Bird Hills – West Wilcox TI pavement preservation project. **Funds available from the FY 2005 pavement Perservation Fund #72505.**
PROGRAM AMOUNT:	$1,989,000
INCREASE AMOUNT:	$3,762,000
NEW PROGRAM AMOUNT:	$5,751,000

Board Action: A motion to approve Items 17 and 18 was made by Mr. Martin, seconded by Mr. Schorr and passed unanimously.

ROUTE NO:	SR 86 @ MP 145.60	Page #
COUNTY:	Pima	
SCHEDULE:	2005	
SECTION:	MP 145.6 - Brawley Wash	
TYPE OF WORK:	Extend box culverts	
PROGRAM AMOUNT:	$ 1,029,000	
PROJECT MANAGER:	Ray Leon	
PROJECT:	H543401C Item #; 16604	
REQUESTED ACTION:	Defer district minor project 2 years. Scope and budget will be combined with unprogrammed SR 86 Reservation Boundary – Brawley Wash Pavement Preservation project in FY 2007.	

Board Action: A motion to approve the above recommendation was made by Mr. Gant, seconded by Mr. Hileman and passed unanimously.

ROUTE NO:	SR 89 A @ MP 356.93	Page #
COUNTY:	Yavapai	
SCHEDULE:	FY 2005 - New Project Request	
SECTION:	Mingus Ave. / Cornville Rd. Intersection	
TYPE OF WORK:	Reconstruct left turn lane, relocate traffic loop detector, and extend median catch basin	
PROGRAM AMOUNT:	New Project Request	
PROJECT MANAGER:	W. Kent Link / Lynn Sugiyama	
PROJECT:	H669701C	
REQUESTED ACTION:	Establish a new district minor project in the amount of $114,000 in the FY 2005 Highway Construction Program. **Funds available from the FY 2005 District Minor Fund #73305.**	
NEW PROGRAM AMOUNT:		$114,000

Board Action: A motion to approve the above recommendation was made by Mr. Hileman, seconded by Mr. Gant and passed unanimously.

ROUTE NO:	US 93 @ MP 104.00	Page #
COUNTY:	Mohave	
SCHEDULE:	2005	
SECTION:	Moss Wash - Deluge Wash	
TYPE OF WORK:	Pavement preservation	
PROGRAM AMOUNT:	$ 3,620,000	
PROJECT MANAGER:	Ken Akoh-Arrey	
PROJECT:	H614901C Item #; 18705	
REQUESTED ACTION:	Increase program amount by $1,899,000 to $5,519,000 due to updated 100% design cost estimates, and the addition of approved HES funds not covered in original cost estimate. **See additional funding sources below.**	

PROGRAM AMOUNT:	$3,620,000
INCREASE AMOUNT:	$1,899,000
FY 2005 Title II Safety Fund #72805	$1,086,400
FY 2005 Pavement Preservation Fund #72505	$812,600
NEW PROGRAM AMOUNT:	$5,519,000

Board Action: A motion to approve the above recommendation was made by Mr. Hileman, seconded by Mr. Gant and passed unanimously.

ROUTE NO:	SR 101 L @ MP 17.00
COUNTY:	Maricopa
SCHEDULE:	FY 2005 – New Project Request
SECTION:	75th Ave - I-17
TYPE OF WORK:	Sign Rehabilitation
PROGRAM AMOUNT:	New Project Request
PROJECT MANAGER:	John Hoang
PROJECT:	H633901C
REQUESTED ACTION:	Establish a new sign rehabilitation project in the amount of $995,000 in the FY 2005 Highway Construction Program. **Funds from available from the FY 2005 Sign Rehabilitation Fund #78305.**
NEW PROGRAM AMOUNT:	$995,000

Board Action: A motion to approve the above recommendation was made by Mr. Gant, seconded by Mr. Lane and passed unanimously.

ROUTE NO:	US 60 @ MP 343.00
COUNTY:	Navajo
SCHEDULE:	2005
SECTION:	MP 343 - Rocky Arroyo
TYPE OF WORK:	Pavement Preservation
PROGRAM AMOUNT:	$ 1,900,000
PROJECT MANAGER:	James Reeves

PROJECT:	H614101C Item #; 17805	
REQUESTED ACTION:	Reduce program amount by $300,000 to $1,600,000 due to updated design cost estimate. **Funds return to the FY 2005 Pavement Preservation Fund #72505.**	
PROGRAM AMOUNT:		$1,900,000
DECREASE AMOUNT:		$300,000
NEW PROGRAM AMOUNT:		$1,600,000

Board Action: A motion to approve the above recommendation was made by Mr. Hileman, seconded by Mr. Gant and passed unanimously.

ROUTE NO:	SR 89 A @ MP 537.50	
COUNTY:	Coconino	
SCHEDULE:	2005	
SECTION:	Marble Canyon - House Rock, Unit 1	
TYPE OF WORK:	Pavement Preservation	
PROGRAM AMOUNT:	$ 2,215,000	
PROJECT MANAGER:	James Reeves	
PROJECT:	H556601C Item #; 18605	
REQUESTED ACTION:	Increase program amount by $556,000 to $2,771,000 due to increased pavement and signing cost. **See new funding sources below.**	
PROGRAM AMOUNT:		$2,215,000
INCREASE AMOUNT:		$556,000
FY 2005 District Minor Fund #73305		$279,000
FY 2005 Pavement Preservation Fund #72505		$277,000
NEW PROGRAM AMOUNT:		$2,771,000

Board Action: A motion to approve the above recommendation was made by Mr. Gant, seconded by Mr. Martin and passed unanimously.

ROUTE NO:	US 93 @ MP 122.00	
COUNTY:	Mohave	
SCHEDULE:	2005	
SECTION:	Wikieup Streets	
TYPE OF WORK:	Construct 5 lane urban roadway	
PROGRAM AMOUNT:	$ 3,088,000	
PROJECT MANAGER:	Larry Doescher	
PROJECT:	H561801C Item #; 21205	
REQUESTED ACTION:	Increase program amount by $620,000 to $3,708,000 due to cost overruns in pavement and enhancement items. **See new funding sources below.**	
PROGRAM AMOUNT:		$3,088,000
INCREASE AMOUNT:		$620,000
FY 2005 District Minor Fund #73305		$405,000

FY 2005 Enhancement Fund #72205	$215,000
NEW PROGRAM AMOUNT:	$3,708,000

Board Action: A motion to approve the above recommendation was made by Mr. Hileman, seconded by Mr. Gant and passed unanimously.

FY 2005 - 2009 Airport Development Program – Requested Modifications

AIRPORT NAME:	Glendale Municipal	Page
SPONSOR:	City of Glendale	
AIRPORT CATEGORY:	Reliever	
SCHEDULE:	FY 2005- 2009	
PROJECT #:	E5F65	
PRESENT PROGRAM AMOUNT:		
PROJECT DESCRIPTION:	Construct Parallel Taxiway and Connector Taxiways (5 ea) including drainage, lighting and markings, Phase 2	
REQUESTED ACTION:	Approve State matching grant	
FUNDING SOURCES:	**FAA**	$1,850,000
	Sponsor	$48,685
	State	$48,686
	Total Program	$1,947,371

AIRPORT NAME:	Tucson International	Page
SPONSOR:	Tucson Airport Authority	
AIRPORT CATEGORY:	Commercial Service	
SCHEDULE:	FY 2005 - 2009	
PROJECT #:	E5F66	
PRESENT PROGRAM AMOUNT:		
PROJECT DESCRIPTION:	Acquire Land for development; Construct parallel runway (land acquisition ~305 acres) Phase 1	
REQUESTED ACTION:	Approve State matching grant	
FUNDING SOURCES:	**FAA**	$5,057,177
	Sponsor	$248,249
	State	$248,249
	Total Program	$5,553,675

AIRPORT NAME:	Bisbee Municipal	Page
SPONSOR:	City of Bisbee	
AIRPORT CATEGORY:	Public GA	
SCHEDULE:	FY 2005 – 2009	
PROJECT #:	E5F67	
PRESENT PROGRAM AMOUNT:		

PROJECT DESCRIPTION:	Design Runway and Taxiway Lighting System and Install Electrical Vault	
REQUESTED ACTION:	Approve State matching grant.	
FUNDING SOURCES:	**FAA**	$208,370
	Sponsor	$5,483
	State	$5,484
	Total Program	$219,337

AIRPORT NAME:	Lake Havasu City	Page
SPONSOR:	Lake Havasu City	
AIRPORT CATEGORY:	Commercial Service	
SCHEDULE:	FY 2005 – 2009	
PROJECT #:	E5F68	
PRESENT PROGRAM AMOUNT:		
PROJECT DESCRIPTION:	Construct Taxiway (~ 12,000 SY) Including Lighting and Marking, Phase 1	
REQUESTED ACTION:	Approve State matching grant.	
FUNDING SOURCES:	**FAA**	$150,000
	Sponsor	$7,363
	State	$7,363
	Total Program	$164,726

AIRPORT NAME:	Lake Havasu City Page	Page
SPONSOR:	Lake Havasu City	
AIRPORT CATEGORY:	Commercial Service	
SCHEDULE:	FY 2005 – 2009	
PROJECT #:	E5F69	
PRESENT PROGRAM AMOUNT:		
PROJECT DESCRIPTION:	Site prep for Terminal Building including utilities and water tank relocation, Phase 2; Grade area between Taxiway A and Taxiway B for erosion protection and drainage control; Extend Taxiway B (~7,000 SY), Phase 2; Construct North Ramp Taxilane (~6,000 SY) Phase 2	
REQUESTED ACTION:	Approve State matching grant.	
FUNDING SOURCES:	**FAA**	$2,782,120
	Sponsor	$73,216
	State	$73,216
	Total Program	$2,928,552

AIRPORT NAME:	Marana Northwest Regional	Page
SPONSOR:	Town of Marana	
AIRPORT CATEGORY:	Reliever	

SCHEDULE:	FY 2005 – 2009	
PROJECT #:	E5F71	
PRESENT PROGRAM AMOUNT:		
PROJECT DESCRIPTION:	Rehabilitate Runway 12/30; Rehabilitate Taxiway	
REQUESTED ACTION:	Approve State matching grant.	
FUNDING SOURCES:	**FAA**	$175,000
	Sponsor	$4,605
	State	$4,606
	Total Program	$184,211

AIRPORT NAME:	Marana Northwest Regional	Page
SPONSOR:	Town of Marana	
AIRPORT CATEGORY:	Reliever	
SCHEDULE:	FY 2005 – 2009	
PROJECT #:	E5F72	
PRESENT PROGRAM AMOUNT:		
PROJECT DESCRIPTION:	Acquire Land for Approaches	
REQUESTED ACTION:	Approve State matching grant.	
FUNDING SOURCES:	**FAA**	$125,000
	Sponsor	$3,289
	State	$3,290
	Total Program	$131,579

Board Action: A motion to approve Items 26, 27, 28, 29, 30, 31 and 32 was made by Mr. Gant, seconded by Mr. Hileman and passed unanimously.

* Priority Planning Advisory Committee (PPAC)

- Minutes – September 29, 2004
- Minutes – October 1, 2004 Special Meeting
- Highway Program Monitoring Report.
- Summary of Changes to the FY 05 – 09 Highway Construction Program

* Next regular scheduled meetings of the Priority Planning Advisory Committee (PPAC). Times and dates of meetings could vary and will be announced at time of agenda distribution.

2004 PPAC Meeting Dates will be held on Wednesdays

- December 1, 2004 9:00 AM
- January 5, 2005 10:00 AM

http://ADOTPPAC.ORG/

RIGHT OF WAY RESOLUTIONS

*	RES. NO:	2004-11-A-060
	PROJECT:	S-189-A-801 / 189SC000H528206R
	HIGHWAY:	NOGALES PRIMARY CONNECTION
	SECTION:	Nogales Port of Entry No. 2-52
	ROUTE NO.:	State Route 189
	ENG. DIST:	Tucson
	COUNTY:	Santa Cruz
	RECOMMENDATION:	Establish additional right of way as a state route and state highway for improvements to the Port of Entry
*	RES. NO:	2004-11-A-061
	PROJECT:	S 089-B-701 / 089YV313H618701R
	HIGHWAY:	PRESCOTT – ASH FORK
	SECTION:	Sundog Ranch Rd. – Willow Lake Rd.
	ROUTE NO.:	State Route 89
	ENG. DIST:	Prescott
	COUNTY:	Yavapai
	RECOMMENDATION:	Establish additional right of way as a state route for widening improvements
	RES. NO:	2004-11-A-062
	PROJECT:	I-010-F-801 / 010CH340H545501R
	HIGHWAY:	BENSON – STEINS PASS
	SECTION:	Fort Grant T.I.
	ROUTE NO.:	Interstate Route 10
	ENG. DIST:	Safford
	COUNTY:	Cochise
	RECOMMENDATION	Establish additional right of way as a state route for traffic interchange improvements

Board Action: A motion to approve the above recommendation was made by Mr. Schorr, seconded by Mr. Lane and passed unanimously. (Mr. Martin recused himself from this Item.)

*	RES. NO:	2004-11-A-063
	PROJECT:	S-577-801 / 092CH328H459601R
	HIGHWAY:	SIERRA VISTA - BISBEE
	SECTION:	Carr Canyon – Hunter Canyon
	ROUTE NO.:	State Route 92
	ENG. DIST:	Safford
	COUNTY:	Cochise
	PARCELS:	2-1057 & 2-1060
	RECOMMENDATION:	Establish additional right of way as a state route by Advance Acquisition
*	RES. NO:	2004-11-A-064
	PROJECT:	S-089-A-702 / 089YV258H571701R
	HIGHWAY:	WICKENBURG - PRESCOTT
	SECTION:	Jct. S.R. 71 – Jct. U.S. 93
	ROUTE NO.:	State Route 89

ENG. DIST:	Prescott
COUNTY:	Yavapai
RECOMMENDATION:	Establish additional right of way as a state highway for improvements

STATE ENGINEER'S REPORT

* Report on construction and projects completed in October, 2004.

* Right of Way Acquisition Report for October, 2004.

CONSTRUCTION CONTRACTS

Interstate, Non-Federal Aid

BIDS OPENED:	October 8
HIGHWAY:	TUCSON-BENSON HIGHWAY (I-10)
SECTION:	Rita, Houghton & Vail WB Rd TI UP
COUNTY:	Pima
ROUTE NO:	I-10
PROJECT:	I-010-E-505 010 PM 273 H627901C
FUNDING:	100% State
LOW BIDDER:	Royden Construction Company
AMOUNT:	1,491,607.90
STATE ESTIMATE$:	1,361,879.50
$ OVER:	129,728.40
% OVER:	9.5%
NO. BIDDERS:	4
RECOMMENDATION:	AWARD

BIDS OPENED:	October 22	
HIGHWAY:	CITY OF GLENDALE	
SECTION:	Thunderbird Paseo Multi-Use Path	
COUNTY:	Maricopa	
ROUTE NO:	N/A	
PROJECT:	TEA-GLN-0(022)A 0000 MA GLN SL46801C	
FUNDING:	94% Federal	6% City of Glendale
LOW BIDDER:	Anncole Contracting Corp.	
AMOUNT:	$	472,504.50
STATE ESTIMATE:	$	430,446.80
$ OVER:	$	42,057.70
% OVER:		9.8%
NO. BIDDERS:		6
RECOMMENDATION:	AWARD	

Board Action: A motion to approve Items 42 and 48 was made by Mr. Hileman, seconded by Mr. Gant and passed unanimously. (Mr. Schorr recused himself from these Items.)

Interstate Federal-Aid (required FHWA Concurrence and compliance with DBE regulations)

BIDS OPENED:	October 29
HIGHWAY:	EHRENBERG-PHOENIX HIGHWAY (I-10
SECTION:	Salome – Burnt Well
COUNTY:	Maricopa
ROUTE NO:	I-10
PROJECT:	IM-010-A(006)A 010 MA 080 H612701C
FUNDING:	94% Federal 6% State
LOW BIDDER:	FNF Construction, Inc.
AMOUNT:	5,627,759.74
STATE ESTIMATE:	$6,701,857.00
$ UNDER	$1,074,097.26
% UNDER:	16%
NO. BIDDERS:	7
RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Lane, seconded by Mr. Gant and passed unanimously. (Mr. Schorr recused himself from this Item.)

*

BIDS OPENED:	October 8
HIGHWAY:	ALL INTERSTATES
SECTION:	Interstate Statewide
COUNTY:	N/A
ROUTE NO:	All Interstates
PROJECT:	HES-999-A(001)A 999 SW 000 H638801C
FUNDING:	94% Federal 6% State
LOW BIDDER:	C S Construction, Inc.
AMOUNT:	$ 1,789,517.00
STATE ESTIMATE:	$ 1,902,800.00
$ UNDER:	$ 113,283.00
%UNDER:	5.6%
NO. BIDDERS:	4
RECOMMENDATION:	AWARD

BIDS OPENED:	October 29
HIGHWAY:	PHOENIX-CORDES JUNCTION HIGHWAY
SECTION:	Happy Valley Road TI
COUNTY:	Maricopa
ROUTE NO:	I-17
PROJECT:	CM-017A(017)A 017 MA 218 H655601C
FUNDING:	74% Federal 26% State
LOW BIDDER:	Nesbitt Contracting Co., Inc.
AMOUNT:	1,482,356.17
STATE ESTIMATE: $	978,912.00
$ OVER:	503,444.17
% OVER:	51.4%
NO. BIDDERS:	6
RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Gant, seconded by Mr. Lane and passed unanimously.

Non-Interstate Federal-Aid ("A", "B" "P) Projects do not need FHWA concurrence, but must comply with DBE regulations; other projects are subject to FHWA and/or local government concurrence and compliance with DBE regulations)

BIDS OPENED:	November 5
HIGHWAY:	PHOENIX-GLOBE HIGHWAY (US 60)
SECTION:	Gilbert Road TI
COUNTY:	Maricopa
ROUTE NO:	US 60
PROJECT:	CM-060-C(014)A 060 MA 182 H601502C
FUNDING:	47% Federal 53% State
LOW BIDDER:	Meadow Valley Contractors, Inc.
AMOUNT:	$ 3,533,779.73
STATE ESTIMATE:	$ 2,690,033.45
$ OVER:	$ 843,746.28
%OVER:	31.4%
NO. BIDDERS:	3
RECOMMENDATION:	AWARD

Board Action: A motion to approve the above recommendation was made by Mr. Lane, seconded by Mr. Gant and passed unanimously. (Mr. Schorr recused himself from this Item.)

BIDS OPENED:	September 23
HIGHWAY:	TUCSON-ORACLE JUNCTION-GLOBE HIGHWAY (SR 77)
SECTION:	Town of Mammoth
COUNTY:	Pinal
ROUTE NO:	SR 77

PROJECT:	TEA-077-A(002)A 077 PN 114 H569701C
FUNDING:	94% Federal 6% State
LOW BIDDER:	K.A.Z. Construction, Inc.
AMOUNT:	$ 610,000.00
STATE ESTIMATE:	$ 536,760.00
$ OVER:	$ 73,240.00
% OVER:	13.6%
NO. BIDDERS:	6
RECOMMENDATION:	Reject K.A.Z. Construction's. bid and Award the project to Show Low Construction

COMMENTS:

On September 23, 2004 bids were opened on the above referenced project. At the bid opening, K.A.Z. Construction was read as the apparent low bidder with a bid of $610,000.00. The second low bidder was Show Low Construction, Inc. with a bid of $614,200.40.

Subsequent to the bid opening, the Department's analysis of the bids showed that a number of items in the K.A.Z. Construction bid were unbalanced. Three of these items stand out as follows:

Item #	*Item Description*	KAZ's *Quantity*	State's *Unit Price*	*Unit Price*
7320073	Electrical Conduit (2-3")(PVC)	40 L.Ft.	500.00	15.00
8080049	Emitter (Assembly) (Multi Outlet)	29 Each	200.00	20.00
9080243	Concrete Sidewalk (C-05.20)(6" Thick)	227 Sq.Ft.	80.00	3.50

The other bidders bid these items at amounts much closer to the State's estimate as shown below.

	7320073	8080049	9080243
State Estimate	*15.00*	*20.00*	*3.50*
K.A.Z. Construction	500.00	200.00	80.00
Show Low Construction	17.25	33.00	5.00
Combs Construction	11.00	35.00	7.00
J. Banicki Construction	14.00	35.00	8.00
Dar-Hil Corporation	12.22	31.00	11.26
Anncole Contracting	12.00	30.00	4.00

K.A.Z. bid $80.00 per square foot of Concrete Sidewalk (6" Thick) which amounts to $18,160 for the 227 square feet on the bid schedule. The Department's estimate for this item was $3.50 per square foot which amounts to $794.50. K.A.Z.'s bid for Concrete Sidewalk (6" Thick) is more than 22 times greater than what the Department determines to be a reasonable value for the item of work.

A mathematically unbalanced bid is a bid containing unit bid prices that do not reflect reasonably anticipated actual costs plus a reasonable proportionate share of the bidder's anticipated profit, overhead costs, and other indirect costs. As shown above, the three bid items are significantly above the State's estimate and do not reflect a reasonable value of the work. These items are mathematically unbalanced.

A materially unbalanced bid is a bid that generates a reasonable doubt that award to the bidder submitting a mathematically unbalanced bid will result in the lowest ultimate cost to the Department. In order to determine if any of the unit prices are also materially unbalanced, we reviewed the project plans to determine if quantities were likely to change during construction. Based on our review, the quantity of the Concrete Sidewalk (6" Thick) will increase from 227 to 1,135 square feet. With this increase, K.A.Z.'s bid of $80 per square foot will result in an extended amount of $90,800. As a result, the cost to the Department for K.A.Z. Construction's bid would go from $610,000.00 to $682,640.00 while the cost to the Department for Show Low Construction's bid would go from $614,200.40 to $618,740.40.

Subsection 102.10 Irregular Proposals of the Standard Specifications states that the Department may reject any bid if it is mathematically or materially unbalanced. The State Engineer has determined that K.A.Z. Construction's bid is both mathematically and materially unbalanced. The magnitude of the unbalancing is to the potential detriment of the Department, and there is reasonable doubt that award to K.A.Z. Construction will result in the lowest ultimate cost to the Department.

K.A.Z. has offered to insure that its bid will result in the lowest ultimate cost to the Department by agreeing to apply the State's estimate to the overrun.

In order to have free, open, competitive bidding on a common basis, all bidders must have the same opportunity to provide a unit price on each item in the bid schedule. The terms of the bid cannot be changed after the bids are opened. The contractor cannot be given two opportunities, one at the bid opening and one after the bids are opened. The Department cannot accept K.A.Z.'s proposal.

Board Action: A motion to reject K.A.Z's construction bid and award the project to Show Low Construction in the amount of $614,200.40 was made by Mr. Gant, seconded by Mr. Hileman and passed unanimously. (Mr. Schorr recused himself from this Item.)

Non-Interstate, Non-Federal Aid

BIDS OPENDED:	October 29	
HIGHWAY:	WICKENBURG-PHOENIX HIGHWAY (US 60)	
SECTION:	Grand Ave: 59th Avenue/Glendale Avenue	
COUNTY:	Maricopa	
ROUTE NO:	US 60	
PROJECT:	RAM-060-B-507 060 MA 155 H561001C	
FUNDING:	90% RARF 10% City of Glendale	
LOW BIDDER:	Coffman Specialties, Inc.	
AMOUNT:	$	25,995,948.30
STATE ESTIMATE:	$	18,600,000.00
$ OVER:	$	7,395,948.30
% OVER:		39.8%
NO. BIDDERS		4
RECOMMENDATION:	AWARD	

Board Action: A motion to approve the above recommendation was made by Mr. Gant, seconded by Mr. Lane and passed unanimously. (Mr. Schorr recused himself from this Item.)

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BIDS OPENED:	October 8	
HIGHWAY:	DOUGLAS-WILLCOX HIGHWAY (US 191)	
SECTION:	Dragoon Road to Cochise TI	
COUNTY:	Cochise	
ROUTE NO:	US 191	
PROJECT:	U-191-A-501 191 CH 055 H571601C	
FUNDING:	100% State	
LOW BIDDER:	Haydon Building Corp.	
AMOUNT:	$	652,353.00
STATE ESTIMATE:	$	640,268.20
$ OVER:	$	12,084.80
% OVER:		1.9%
NO. BIDDERS:		6
RECOMMENDATION:	AWARD	

A discussion ensued regarding the increase in construction costs and the process for adjusting project estimates.

CONSENT AGENDA

Board Action: A motion to approve the remainder of the Consent Agenda was made by Mr. Gant, seconded by Mr. Hileman and passed unanimously.

ADJOURN

Board Action: A motion to adjourn was made by Mr. Hileman, seconded by Mr. Gant and passed unanimously.

The meeting adjourned at 11:35 a.m.

Rusty Gant, Chairman
State Transportation Board

Victor Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda.