

**MINUTES OF THE
STATE TRANSPORTATION BOARD MEETING
9:00 a.m., Friday, November 17, 2006
Elsie S. Hogan Community Library
(Council Chambers is located in Library Bldg – West Entrance)
207 West Maley
Willcox, Arizona 85643**

The State Transportation Board met in official session for a Board Meeting at 9:00 a.m., Friday, November 17, 2006, with Chairman Jim Martin presiding. Other Board members present included: Vice Chairman Joe Lane, Bill Feldmeier, Delbert Householder, Si Schorr and Felipe Zubia. Bob Montoya was absent only because the City of Willcox was not able to arrange telephone conference accommodations. Also present were David Jankofsky, Deputy Director; Sam Elters, State Engineer; Barclay Dick, Division Director, Aeronautics Division; Kevin Biesty, Legislative Liaison and John McGee, Chief Financial Officer, Administrative Services Division. Victor Mendez, Director/ADOT, was also absent. There were approximately 50 people in the audience.

OPENING REMARKS AND PLEDGE

Chairman Martin led the audience in the Pledge of Allegiance and thanked the City of Willcox for their hospitality and for hosting the dinner on Thursday evening.

DISTRICT ENGINEER REPORT

District Engineer, Bill Harmon provided an update on Projects/Issues of regional significance. He welcomed Board members, introduced his staff and provided a brief overview of the region. There are eight state routes. Population is growing. The I-10 project is ahead of schedule. Growth is greatest on the north and west side. The 191 corridor is important for the area. The I-10, State Route 90 interchange is important, as well as the intersection of SR 92 and Sierra Vista.

CALL TO AUDIENCE

Elwood Johnson, Mayor, City of Willcox, thanked Board members for the enhancement to the TI, the 340 overpass and asked that Willcox be kept in mind for future projects.

Hector Ruedas, Chairman, Greenlee County Board of Supervisors, thanked Board members for widening the bridge on SR 75 and other improvements on US 191 in Greenlee County. The greatest concern is the US 191 Guthrie Bridge Project. This is the last segment that began more than ten years ago and needs to be completed to be brought to safety standards. This segment remains the unsafest part of the highway and cannot be delayed any longer. Greenlee County is willing to help.

Drew John, Supervisor, Graham County, thanked Board members and staff for their work in Graham County and asked that Highway 191 be kept in mind. Traffic from the new mine is coming in. He asked that Highway 70 and 8th Avenue be kept in mind. The work on Highway 70 east is appreciated as well as assistance on the 8th Avenue Bridge which is 95 percent complete on the planning portion.

Richard Searle, Chairman, Cochise County Board of Supervisors, thanked Board members and mentioned the TI at Highway and I-10 at Benson. The project was dropped, however, when funding was found, the project was brought back on the five year plan. This is appreciated. Other five year plan projects include the overpass at Cochise on Highway 191 and the airport in Willcox.

Rich Gaar, Executive Director, Seago, thanked Board members and mentioned that the COGs received an increase in funding for projects in 1994 from \$5.3 million to \$9.2 million a year for rural COGs. The money doesn't go as far today. He asked for consideration to an increase for all the rurals in order to continue with their programs. The Arizona Transit Association, the bus drivers, will have a meeting on April 17-19 in Sedona. He asked that ADOT consider moving their board meeting to Sedona during that time.

Jaime Fontes, City Manager, City of Nogales, thanked the City and reminded the Board for consideration for efforts in the City of Nogales. Currently, seventy five percent of all produce that comes into the United States comes through Nogales. There is a three hour wait for the trucks at Mariposa. There is only one overpass in the town, causing a lot of danger for fire and police hazards. They are proposing two pedestrian bridges. The city has funded one. Due to being a border town, there is tremendous economic impact. Benefits here benefit the entire state.

George Scott, Mayor, City of Benson, mentioned that fixing the interstate is appreciated and asked for consideration of the interchange of Highway 90 and I-10. They are in the process of doing an Anthem project on Highway 90 and the interchange is important as the traffic will be doubled. The City Council of Benson discussed the B-10 and US 80 interchange and passed a resolution. They are interested in getting it done. They encourage everyone to find the funds to complete the project.

Ron Green, Mayor, City of Safford, thanked members of the Board and for projects including Highway 70, the sidewalk system and 191.

Mick Easthouse, Citizen of Willcox and former Mayor, welcomed Board members and discussed appreciation for Mr. Martin's service on the Board. He agrees that everyone pays their fair share, not only for the TI, but for a third lane to accommodate the traffic.

Carol Dockter, Councilwoman, City of Sierra Vista, thanked Mr. Martin for his six years of service and Board members for their support of Sierra Vista, in particular, the road enhancement projects, the airport project, the transit project and asked for support for the Highway Safety Enhancement Project. And SR 90 intersection where there is a personal concern for safety.

Doug Hansen, Transportation Planner, Pinal County, spoke on behalf of the Pinal County Board of Supervisors to ask for approval of Agenda Items eight and nine, the STAN funds for I-10 in Pinal County and the counties to the south.

Mike Willett, Assistant Public Works Director, Yavapai County, discussed the three projects in Yavapai County to be considered on the agenda, the 69/89 intersection in Prescott, the 89 project and Center Street Project in Chino Valley and the 89 project between Clarkdale and Cottonwood. In addition to increasing capacity, the second and third projects improve access management to an existing corridor and approval of these projects would be appreciated.

CONSENT AGENDA

Mr. Martin removed Items 51, 53, 55 and 57 from the Consent Agenda.

Mr. Schorr recused himself from Items 51, 53, 55 and 57.

Director's Report

David Jankofsky, Deputy Director, thanked the City of Willcox for their hospitality. The Governor's Growth and Infrastructure Committee continues to meet and have draft recommendations including issues that address the developer's role and responsibility in highway construction when a developer convinces a local government body to approve a development. The State Engineer's Office is providing input to the draft recommendations. The MAG Transportation Policy Committee developed a tentative plan for the MAG Regional Council for final approval and provides for money to widen I-10 west toward 85 and widening of I-17 from Carefree Highway to Anthem and additional HOV lanes on the Loop 101 Price Freeway, enhancements to the Loop 303 and protection of right-of-way in the Williams Gateway area. MAG Regional Council meets on December 13. Information will be shared with Board members when it becomes available. In reply to a question, Mr. Jankofsky stated that MAG and PAG have a legislative requirement to report what they are doing with the money. ADOT needs to submit a status report as well. In reply to a question, Mr. Jankofsky, said that individuals or the Board could take a position on an item in the report or to suggest something be considered in the report.

Legislative Report

Kevin Biesty, Legislative Liaison, provided an update on Legislative Issues. He was in Washington DC to meet with the Arizona delegation and their staff. Highlights of the visit include needs of \$38 million to finish Hoover Dam, the state's number one priority. The FY2007 appropriations are not set yet. The House Bill version was \$2.1 million for Hoover Dam. The Senate version was \$1 million. There is money in one of the bills to fund San Luis II at \$42 million and Mariposa at \$9.8 million to improve the ports. A pamphlet was available to share information on what is important in Arizona as they discuss the reauthorization of the aviation. Mr. Biesty is returning to DC in February and will meet with Congresswoman-elect Gifford and Congressman-elect Mitchell. Senator Kyl is said to be moving up in leadership to the number three position. Congressman Shadegg is being considered for minority whip. At the state level, several races are still undecided. Republicans will continue to control the House and the Senate. Leadership is being determined. Discussions are being held on how to improve financing for transportation. In answer to a question, every source of money was reviewed for homeland security. It was suggested that Senator Kyl be reapproached for that issue as he is a strong advocate and supporter for both Hoover Dam and homeland security.

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. HURF collections for the month of October 2006 total \$109.83 million, an increase of 4.2 percent above October 2005 and .9 percent above the estimate. Year-to-date

collections total \$444.029 million, an increase of 4.2 percent above October 2005 and .3 percent below the forecast. Use fuel collections are below the forecast by 8.9 percent due to the number of refunds in the first part of the year. This should level out in the next few months. Motor Carrier is up over the forecast due to a mistake in July and should average in the next few months. The Other category reported 12.8 percent below the forecast and was impacted by higher credit card transaction fees. RARF collections for the month of September total \$31.973 million, an increase of 9.3 percent from September 2005 and 1.6 percent above the estimate. Year-to-date collections total \$95.4 million, an increase of 8.3 percent from September 2005 and .2 percent above the estimate. There continues to be good strength in Contracting and Utilities segments and lower than expected results in Retail Sales, Rental of Personal Property and the Other category. The Investment Report indicates interest income for the month of September of \$3.673 million, representing an average investment yield of 4.84 percent. Year-to-date earnings total \$9.318 million, representing an average yield of 4.68 percent. The HELP fund balance as of October 31, 2006, is \$97.364 million, an increase of \$1.7 million over September due to loan repayments and interest income. Two loans were funded as approved by the Board, the City of Kingman loan for \$2 million as approved by the Board in 2005 and a loan for a project in Gila County approved in 2002 for \$487,000.

Financing Program

John McGee provided an update on financing issues affecting the Board and the Department, including HURF and RARF Bonding, GAN issuances and Board Funding Obligations. For the HURF revenue forecast update, for 2007-2016, revenue forecasts have been increased by \$281.9 million. The 2007-2011 forecast is up by \$109 million. ADOT's share will be approximately \$55 million to help offset continuing cost increases. The official RARF forecast for 2007 to the end of the tax is up approximately \$785 million, \$441 million of which is for the freeway program. The reports were provided to Board members.

* **MINUTES – APPROVAL**

Study Session Minutes – October 19, 2006
Board Meeting Minutes – October 20, 2006

* **2006 BOARD MEETING, PUBLIC HEARING & STUDY SESSION**
DATES AND LOCATIONS

November 17, 2006 – Board Meeting – Willcox
December 5, 2006 – Study Session (if necessary) – Phoenix
December 15, 2006 – Board Meeting - Tucson

RECOMMENDED STAN ACCELERATIONS – David Jankofsky

STAN Projects as recommended by PAG (Pima Association of Governments)

1. I-10 – Pinal Air Park Rd. to Tangerine Rd. TI
2. SR 86 – Town of Sells
3. SR 86 – Valencia to Kinney Rd. Intersection Improvement

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

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

Board Action: A motion to approve the above recommendation number three was made by Mr. Feldmeier, seconded by Mr. Zubia and passed unanimously. Mr. Schorr recused himself from this Item.

STAN Projects for the TOC (Thirteen Other Counties)

1. I-10 – Pinal Air Park to Picacho Peak TI

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

PRIORITY PLANNING ADVISORY COMMITTEE (PPAC)

FY 2007 - 2011 Transportation Facilities Construction Program Requested Modifications

ROUTE NO:	I-8 @ MP 12.25	Page
COUNTY:	Yuma	
SCHEDULE:	FY 2007	
SECTION:	I-8 and Fortuna Road	
TYPE OF WORK:	Drainage improvements	
PROGRAM AMOUNT:	New Project Request	
PROJECT MANAGER:	Isabell Limon	
PROJECT:	H703901C	JPA 06-025
REQUESTED ACTION:	Establish a new project in the FY 2007 Highway Construction Program. Funds are available from FY 2007 District Minor Fund #73307	
NEW PROGRAM AMOUNT:		\$75,000

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

ROUTE NO:	SR 90 @ MP 325.00	Page
COUNTY:	Cochise	
SCHEDULE:	FY 2007	
SECTION:	SR 90 at Moson Rd.	

TYPE OF WORK: Intersection improvements
 PROGRAM AMOUNT: New Project Request
 PROJECT MANAGER: Michael Marietti
 PROJECT: HX17401C JPA 05-010
 REQUESTED ACTION: Establish a new project in the FY 2007 Highway Construction Program. **Funds are available from FY 2007 Highway Safety Improvements Fund #72807**
 NEW PROGRAM AMOUNT: \$3,000,000

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

ROUTE NO: SR 101L @ MP 36.00 Page
 COUNTY: Maricopa
 SCHEDULE: FY 2007
 SECTION: Princess Dr. to SR 202L (Red Mountain)
 TYPE OF WORK: Construct HOV lanes
 PROGRAM AMOUNT: \$ 65,000,000
 PROJECT MANAGER: Ronald McCally
 PROJECT: H693601C Item # 43107
 REQUESTED ACTION: Increase program amount by \$4,500,000 to \$69,500,000 in the FY 2007 Highway Construction Program. **Funds are available from Item #40507 RTP Design and Construct FMS**
 PROGRAM AMOUNT: \$65,000,000
 NEW PROGRAM AMOUNT: \$69,500,000

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

ROUTE NO: SR 202L @ MP 30.10 Page
 COUNTY: Maricopa
 SCHEDULE: FY 2007
 SECTION: US 60 / SR 202 TI
 TYPE OF WORK: Construct landscape
 PROGRAM AMOUNT: \$ 7,600,000
 PROJECT MANAGER: Elaine Mercado
 PROJECT: H689101C Item # 80607 JPA 06-080
 REQUESTED ACTION: Request to increase the program amount by \$550,000 to \$8,150,000 in the FY 2007 Highway Construction Program. **Funds are available from RARF Cash Flow**
 PROGRAM AMOUNT: \$7,600,000
 NEW PROGRAM AMOUNT: \$8,150,000

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

ROUTE NO:	US 60 @ MP 184.00	Page
COUNTY:	Maricopa	
SCHEDULE:	FY 2007	
SECTION:	Val Vista Drive to Power Road	
TYPE OF WORK:	Construct landscape	
PROGRAM AMOUNT:	\$ 5,100,000	
PROJECT MANAGER:	Khalid Salahuddin	
PROJECT:	H680901C Item # 43007 JPA 90-099	
REQUESTED ACTION:	Request to increase the program amount by \$710,000 to \$5,810,000 in the FY 2007 Highway Construction Program. Funds are available from RARF Cash Flow	
PROGRAM AMOUNT:		\$5,100,000
NEW PROGRAM AMOUNT:		\$5,810,000

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

ROUTE NO:		Page
COUNTY:	Gila	
SCHEDULE:	FY 2007	
SECTION:	Globe District Various Locations	
TYPE OF WORK:	System enhancement and safety improvements	
PROGRAM AMOUNT:	New Project Request	
PROJECT MANAGER:	Richard Weeks	
PROJECT:	H699101C	
REQUESTED ACTION:	Establish a new project in the FY 2007 Highway Construction Program. Funds are available from FY 2007 Highway Safety Improvements Fund #72807	
NEW PROGRAM AMOUNT:		\$225,000

ROUTE NO:		Page
COUNTY:	Mohave	
SCHEDULE:	FY 2007	
SECTION:	Kingman District Various Locations	
TYPE OF WORK:	System enhancement and safety improvements	
PROGRAM AMOUNT:	New Project Request	
PROJECT MANAGER:	Richard Weeks	
PROJECT:	H699001C	
REQUESTED ACTION:	Establish a new project in the FY 2007 Highway	

ACTION: Construction Program. **Funds are available from
FY 2007 Highway Safety Improvements Fund
#72807**

NEW PROGRAM AMOUNT: \$175,000

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

ROUTE NO: SR 80 @ MP 364.50 Page

COUNTY: Cochise

SCHEDULE: FY 2007

SECTION: SR 80 / US 191 Intersection

TYPE OF WORK: Signal and roadway improvements

PROGRAM AMOUNT: \$ 1,815,000

PROJECT MANAGER: David Mellgren

PROJECT: HX14801C Item # 20706

REQUESTED ACTION: Request to increase the program amount by

\$343,000 to \$2,158,000 in FY 2007 Highway
Construction Program. **Funds are available from
the funding sources below.**

PROGRAM AMOUNT: \$1,815,000

INCREASE AMOUNT:

FY 2007 District Minor Fund #73307 \$195,000

FY 2007 Minor Pavement Preservation Fund #74807 \$61,000

FY 2007 Traffic Engineering Signal Fund #71207 \$15,000

FY 2007 ITD Statewide Fund #70707 \$72,000

NEW PROGRAM AMOUNT: \$2,158,000

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

ROUTE NO: I-40 @ MP 259.00 Page

COUNTY: Navajo

SCHEDULE: FY 2007

SECTION: Cottonwood Bridges EB/WB

TYPE OF WORK: Scour retrofit

PROGRAM AMOUNT: \$ 660,000

PROJECT MANAGER: Itty P. Itty

PROJECT: H644801C Item # 20606

REQUESTED ACTION: Request to increase program amount by \$400,000 to

\$1,060,000 in the FY 2007 Highway Construction
Program. **Funds are available from FY 2007
Scour Retrofit Protection Fund #71507**

PROGRAM AMOUNT: \$660,000

NEW PROGRAM AMOUNT: \$1,060,000

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

ROUTE NO: SR 195 @ MP 13.60
COUNTY: Yuma
SCHEDULE: FY 2007
SECTION: Range Boundary - 40th Street
TYPE OF WORK: Construct 4 lane divided highway, Phase A
PROGRAM AMOUNT: \$ 23,800,000
PROJECT MANAGER: Annette Riley
PROJECT: H577405C Item # 12006
REQUESTED ACTION: Defer project from FY 2007 to FY 2008. **Reduce program amount by \$6,275,000 to \$17,525,000 in FY 2007 Highway Construction Program.**
PROGRAM AMOUNT: \$23,800,000
DECREASE AMOUNT: Transfer to FY 2007 Statewide Contingency #72307 \$-6,275,000
NEW PROGRAM AMOUNT: \$17,525,000

ROUTE NO: SR 195 @ MP 25.00
COUNTY: Yuma
SCHEDULE: FY 2007
SECTION: "A" Canal Box Culvert
TYPE OF WORK: Construct box culvert
PROGRAM AMOUNT: \$ 2,110,000
PROJECT MANAGER: Annette Riley
PROJECT: H577410C Item # 22804 JPA 03-021
REQUESTED ACTION: Increase program amount by \$700,000 to \$2,810,000 in the FY 2007 Highway Construction Program. **Funds are available from FY 2007 Statewide Contingency #72307**
PROGRAM AMOUNT: \$2,110,000
NEW PROGRAM AMOUNT: \$2,810,000

ROUTE NO: SR 195 @ MP 26.00
COUNTY: Yuma
SCHEDULE: FY 2007
SECTION: 40th Street - I-8
TYPE OF WORK: Construct roadway widening
PROGRAM AMOUNT: \$ 7,914,000
PROJECT MANAGER: Annette Riley
PROJECT: H577407C Item # 20704
REQUESTED ACTION: Increase program amount by \$986,000 to \$8,900,000 in FY 2007 Highway Construction Program. **Funds**

are available from FY 2007 Statewide
Contingency #72307

PROGRAM AMOUNT: \$7,914,000
NEW PROGRAM AMOUNT: \$8,900,000

ROUTE NO: SR 195 @ MP 5.00
COUNTY: Yuma
SCHEDULE: FY 2007
SECTION: Ave. E 1/2 to Ave. B
TYPE OF WORK: APS Utility relocation
PROGRAM AMOUNT:
PROJECT MANAGER: Annette Riley
PROJECT: H577403U
REQUESTED ACTION: Increase program amount by \$400,000 in the FY
2007 Highway Construction Program. **Transfer
\$400K from FY 2007 Statewide Contingency
#72307 to complete utility relocation.**

NEW PROGRAM AMOUNT: \$400,000

Don Mauller presented Items 19, 20, 21 and 22. Mr. Feldmeier asked how this deferred last month and asked for an update. In reply, the project can be broken in two parts, Ash Highway, one that will not be impacted by any mitigation in question and the remainder is the one in question. The project is federally funded. None of the funding could be expended until we have an environmental document completed. The hold up for the environmental document is the mitigation regarding the flat tail horn lizard. We are working with the Bureau of Land Management on that issue. We have an agreement in principle and we have commitment that we will receive a document to be executed. The document will come in at the end of this coming week or the week after. It will be reviewed and our anticipation is that our review will be completed by December 15. With that in mind, we would put aside or address the issue of mitigation for the environmental document. With that completed, we can then proceed to complete the environmental document itself. We expect that we can do so and achieve a finding of no significant impact by April. As soon as we have a closure to the environmental document, we can proceed. And item number 21 on the agenda is outside that area of impact so we can certainly advertise that project as soon as the environmental document is complete. We are working very closely with the Bureau. What makes this somewhat unique and more challenging is the fact that we're dealing with cross state line Bureau of Land Management offices. We're dealing with one in California and that is introducing some additional barriers and obstacles that we're working through. But I can tell you with a good degree of certainty that we're making progress and we're confident that we're going to work through this issue and remain optimistic that by April of this coming year we will have closure to the environmental document.

Mr. Feldmeier stated, my folks from Yuma are quite concerned about the delay as you might expect. I received a call from the mayor last night and tried to get back to him this morning and missed him but they are asking us to make sure from their end is a reassurance that the delay does not in any way indicate ADOT's disinterest in the project and that we will continue to move forward as quickly as we possibly can.

Mr. Chairman, Mr. Feldmeier, we fully understand and are doing our best to keep the region informed through the district engineer of Yuma. Their concerns are our concerns and we fully understand and are doing what we can to work through those issues that are fairly complex.

I appreciate the efforts that you have gone through over the last thirty days to push to get to this point.

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

ROUTE NO: SR 195 @ MP 5.50
COUNTY: Yuma
SCHEDULE: FY 2007
SECTION: Ave. E 1/2 to Ave. B
TYPE OF WORK: Construct 4 lane divided highway
PROGRAM AMOUNT: \$ 15,811,000
PROJECT MANAGER: Annette Riley
PROJECT: H577403C Item # 21204
REQUESTED ACTION: Defer project from FY 2007 to FY 2008. Increase program amount by \$4,189,000 to \$20,000,000 in the FY 2007 Highway Construction Program.
Funds are available from FY 2007 Statewide Contingency #72307

PROGRAM AMOUNT: \$15,811,000
NEW PROGRAM AMOUNT: \$20,000,000

ROUTE NO: SR 195 @ MP 9.10 Page
COUNTY: Yuma
SCHEDULE: FY 2007
SECTION: Ave. B to Range Boundary
TYPE OF WORK: Construct 4 Lane Divided Hwy, Phase A
PROGRAM AMOUNT: \$ 10,000,000
PROJECT MANAGER: Annette Riley
PROJECT: H577404C Item # 17806
REQUESTED ACTION: **Defer project from FY 2007 to FY 2008.**
PROGRAM AMOUNT: \$10,000,000

Board Action: A motion to approve Items 23 and 24 was made by Mr. Feldmeier, seconded by Mr. Schorr and passed unanimously.

ROUTE NO: I-17 @ MP 323.70 Page
COUNTY: Coconino
SCHEDULE: FY 2007
SECTION: Christensen Rest Area

TYPE OF WORK: Rest Area Closure
PROGRAM AMOUNT: \$ 165,000
PROJECT MANAGER: Debra Einweck
PROJECT: H506201C Item # 10801
REQUESTED ACTION: **Defer project from FY 2007 to FY 2008.**
PROGRAM AMOUNT: \$165,000

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

ROUTE NO: SR 179 @ MP 310.10 Page
COUNTY: Coconino
SCHEDULE: FY 2007
SECTION: North Forest Boundary – Sedona
TYPE OF WORK: Construct roadway
PROGRAM AMOUNT: \$ 30,700,000
PROJECT MANAGER: Carl Burkhalter
PROJECT: H341403C Item # 15107 JPAs 06-068,
06-069, 06-070
REQUESTED ACTION: Request to increase the program amount by
\$12,300,000 to \$43,000,000 in the FY 2007
Highway Construction Program. **Funds are
available from project deferrals**
PROGRAM AMOUNT: \$30,700,000
NEW PROGRAM AMOUNT: \$43,000,000

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

ROUTE NO: SR 89 @ MP 324.00 Page
COUNTY: Yavapai
SCHEDULE: FY 2007
SECTION: MP 324.3 to Center St.
TYPE OF WORK: Construct 5 lane urban roadway
PROGRAM AMOUNT: \$ 11,820,000
PROJECT MANAGER: Michael Andazola
PROJECT: H670101C Item # 14807
REQUESTED ACTION: Request to increase the program amount by
\$9,180,000 to \$21,000,000 in the FY 2007 Highway
Construction Program. **Funds are available from
project deferrals**
PROGRAM AMOUNT: \$11,820,000
NEW PROGRAM AMOUNT: \$21,000,000

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

ROUTE NO:	SR 89A @ MP 349.00	Page
COUNTY:	Yavapai	
SCHEDULE:	FY 2007	
SECTION:	Cement Plant Rd. to Black Hills Dr.	
TYPE OF WORK:	Reconstruct roadway	
PROGRAM AMOUNT:	\$ 9,800,000	
PROJECT MANAGER:	Orlando Jerez	
PROJECT:	H412901C Item # 12804	
REQUESTED ACTION:	Request to increase the program amount by \$1,700,000 to \$11,500,000 in the FY 2007 Highway Construction Program. Funds are available from project deferrals	
PROGRAM AMOUNT:		\$9,800,000
NEW PROGRAM AMOUNT:		\$11,500,000

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

ROUTE NO:	US 160 @ MP 2.88	Page
COUNTY:	Coconino	
SCHEDULE:	FY 2007	
SECTION:	Van's Trading Post to East of SR 264	
TYPE OF WORK:	Widening and drainage	
PROGRAM AMOUNT:	\$ 9,300,000	
PROJECT MANAGER:	Steve Mishler	
PROJECT:	H460101C Item # 15603	
REQUESTED ACTION:	Request to increase the program amount by \$3,200,000 to \$12,500,000 in the FY 2007 Highway Construction Program. Funds are available from project deferrals	
PROGRAM AMOUNT:		\$9,300,000
NEW PROGRAM AMOUNT:		\$12,500,000

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

ROUTE NO:	US 191 @ MP 151.00	Page
COUNTY:	Greenlee	
SCHEDULE:	FY 2007	
SECTION:	MP 151 – Threeway	
TYPE OF WORK:	Construct roadway and bridge approaches	

PROGRAM AMOUNT: \$ 33,146,000
PROJECT MANAGER: Robert Miller
PROJECT: H303004C Item # 12905
REQUESTED Request to increase the program amount by
ACTION: \$4,000,000 to \$37,146,000 in the FY 2007 Highway
Construction Program. **Funds are available from
project deferrals**

PROGRAM AMOUNT: \$33,146,000
NEW PROGRAM AMOUNT: \$37,146,000

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

ROUTE NO: US 93 @ MP 92.50 Page
COUNTY: Mohave
SCHEDULE: FY 2009
SECTION: SB, McGarry's Wash
TYPE OF WORK: Construct parallel roadway
PROGRAM AMOUNT: \$ 10,250,000
PROJECT MANAGER: Larry Doescher
PROJECT: H617701C Item # 10909
REQUESTED **Advance project from FY 2009 to FY 2007.**
ACTION:
PROGRAM AMOUNT: \$10,250,000

ROUTE NO: US 93 @ MP 121.30 Page
COUNTY: Mohave
SCHEDULE: FY 2010
SECTION: SB, Tompkins Canyon
TYPE OF WORK: Construct new 2 lane roadway SB
PROGRAM AMOUNT: \$ 14,386,000
PROJECT MANAGER: Larry Doescher
PROJECT: H617601C Item # 13108
REQUESTED Advance project from FY 2010 to FY 2007.
ACTION: Request an increase in the program amount by
\$2,000,000 to \$16,386,000. **Funds available from
project deferrals**
PROGRAM AMOUNT: \$14,386,000
NEW PROGRAM AMOUNT: \$16,386,000

ROUTE NO: US 89 @ MP 313.70 Page
COUNTY: Yavapai
SCHEDULE: FY 2009
SECTION: Intersection of US 89 and SR 69

TYPE OF WORK: TI improvements
 PROGRAM AMOUNT: \$ 22,838,000
 PROJECT MANAGER: Michael Andazola
 PROJECT: H395701C Item # 12604 JPA 04-031
 REQUESTED: Advance the project from FY 2009 to FY 2007.
 ACTION: Request to increase the program amount by
 \$2,162,000 to \$25,000,000 in FY 2007 Highway
 Construction Program. **Funds are available from
 project deferrals**

PROGRAM AMOUNT: \$22,838,000
 NEW PROGRAM AMOUNT: \$25,000,000

The approval of these three items is a result of legislative action that provided additional funding.

Board Action: A motion to approve Items 31, 32 and 33 was made by Mr. Feldmeier, seconded by Mr. Schorr and passed unanimously.

FY 2007 - 2011 Airport Development Program Requested Modifications

AIRPORT NAME:	Falcon Field	Page
SPONSOR:	City of Mesa	
AIRPORT CATEGORY:	Reliever	
SCHEDULE:	FY 2007 – 2011	
PROJECT #:	E7F60	
PROGRAM AMOUNT:	New Project Request	
PROJECT MANAGER:	Tammy Martelle	
PROJECT DESCRIPTION:	Improve Runway 4R/22L Safety Area; Install Perimeter Fencing, Phase 1.	
REQUESTED ACTION:	Approve State Matching Grant for FAA Grant AIP 3-04-0023-014.	
FUNDING SOURCES:		
	FAA	\$1,139,396
	Sponsor	\$29,985
	State	\$29,985
	<i>Total Program</i>	\$1,199,366

AIRPORT NAME:	Tucson International	Page
SPONSOR:	Tucson Airport Authority	
AIRPORT CATEGORY:	Commercial Service	
SCHEDULE:	FY 2007 – 2011	
PROJECT #:	E7F61	
PROGRAM AMOUNT:	New Project Request	
PROJECT MANAGER:	Tammy Martelle	

PROJECT DESCRIPTION: Residential Sound Insulation Program for approximately 35 residential units.
REQUESTED ACTION: Approve State Matching Grant for FAA Grant AIP 3-04-0045-051.

FUNDING SOURCES: **FAA** \$1,000,000
Sponsor \$26,316
State \$26,317
Total Program \$1,052,633

AIRPORT NAME: Kingman Page
SPONSOR: City of Kingman
AIRPORT CATEGORY: Commercial Service
SCHEDULE: FY 2007 – 2011
PROJECT #: E7F63
PROGRAM AMOUNT: New Project Request
PROJECT MANAGER: Ed Suserud
PROJECT DESCRIPTION: Prepare Airport Master Drainage Study; Install Guidance Signs (Design Only).
REQUESTED ACTION: Approve State Matching Grant for FAA Grant AIP 3-04-0021-17.

FUNDING SOURCES: **FAA** \$177,016
Sponsor \$4,658
State \$4,659
Total Program \$186,333

AIRPORT NAME: Kingman Page
SPONSOR: City of Kingman
AIRPORT CATEGORY: Commercial Service
SCHEDULE: FY 2007 – 2011
PROJECT #: E7F64
PROGRAM AMOUNT: New Project Request
PROJECT MANAGER: Kenneth Potts
PROJECT DESCRIPTION: Conduct Environmental Assessment for an 80 Acre parcel of land in the Runway 21 Protection Zone.
REQUESTED ACTION: Approve State Matching Grant for FAA Grant AIP #3-04-0021-018.

FUNDING SOURCES: **FAA** \$47,500
Sponsor \$1,250
State \$1,250
Total Program \$50,000

AIRPORT NAME: Show Low Regional Page
 SPONSOR: City of Show Low
 AIRPORT CATEGORY: Commercial
 SCHEDULE: FY 2007 – 2011
 PROJECT #: E4F43
 PROGRAM AMOUNT: Project Change
 PROJECT MANAGER: Ed Suserud
 PROJECT DESCRIPTION: Construct Heliport Parking Pads & Install AWOS.
 REQUESTED ACTION: Approve additional funding (\$589) to match the FAA Grant increase.

FUNDING SOURCES: **FAA** \$162,008
Sponsor \$7,952
State \$7,952
Total Program \$177,912

AIRPORT NAME: Marana Regional Page
 SPONSOR: Town of Marana
 AIRPORT CATEGORY: Reliever
 SCHEDULE: FY 2007 – 2011
 PROJECT #: E7F66
 PROGRAM AMOUNT: New Project Request
 PROJECT MANAGER: Ed Suserud
 PROJECT DESCRIPTION: Design and Rehabilitate Runways 03/21 and 12/30;
 Design and Rehabilitate Taxiways A, E and others;
 Design and Construct Taxiway E Apron and
 Access Road, Phase 1.
 REQUESTED ACTION: Approve State Matching Grant for FAA Grant AIP #3-04-0058-14.

FUNDING SOURCES: **FAA** \$5,007,750
Sponsor \$131,787
State \$131,787
Total Program \$5,271,324

AIRPORT NAME: Colorado City Municipal
 SPONSOR: Town of Colorado City
 AIRPORT CATEGORY: General Aviation
 SCHEDULE: FY 2007 – 2011
 PROJECT: E6F63
 PROGRAM AMOUNT: New Project Request
 PROJECT MANAGER: Ed Suserud
 PROJECT DESCRIPTION: Conduct Environmental Assessment for Land Acquisition (134 Acres).

REQUESTED ACTION: Approve State Matching Grant for FAA Grant AIP #3-04-0076-10.

FUNDING SOURCES: FAA: \$ 57,000
 Sponsor: \$ 1,500
 State: \$ 1,500
 TOTAL PROGRAM: \$ 60,000

Board Action: A motion to approve Items 34, 35, 36, 37, 38, 40 and 45 was made by Mr. Schorr, seconded by Mr. Feldmeier and passed unanimously.

AIRPORT NAME: Show Low Regional Page
 SPONSOR: City of Show Low
 AIRPORT CATEGORY: Commercial
 SCHEDULE: FY 2007 – 2011
 PROJECT #: E5S52
 PROGRAM AMOUNT: Project Change
 PROJECT MANAGER: Ed Suserud
 PROJECT DESCRIPTION: Upgrade Automated Weather Operating System.
 REQUESTED ACTION: Approve additional funding (\$2,332) due to higher than expected installation cost.

FUNDING SOURCES: FAA \$0
 Sponsor \$1,189
 State \$10,702
 Total Program \$11,891

AIRPORT NAME: Marana Regional Page
 SPONSOR: Town of Marana
 AIRPORT CATEGORY: Reliever
 SCHEDULE: FY 2007 – 2011
 PROJECT #: E7S15
 PROGRAM AMOUNT: Project Change
 PROJECT MANAGER: Ed Suserud
 PROJECT DESCRIPTION: Reconstruct Large Aircraft Apron.
 REQUESTED ACTION: Approve reduction in funding (\$131,787) to allow for a State Matching Grant for FAA AIP-14.

FUNDING SOURCES: FAA \$0
 Sponsor \$124,245
 State \$1,118,213
 Total Program \$1,242,458

AIRPORT NAME: Bagdad Page

SPONSOR: Yavapai County
 AIRPORT CATEGORY: Public GA
 SCHEDULE: FY 2007 – 2011
 PROJECT #: E7S62
 PROGRAM AMOUNT: New Project Request
 PROJECT MANAGER: Ed Suserud
 PROJECT DESCRIPTION: Design Only: Runway Safety Area (RSA) Improvements.
 REQUESTED ACTION: Approve a new State Grant.

FUNDING SOURCES:	FAA	\$0
	Sponsor	\$2,777
	State	\$25,000
	<i>Total Program</i>	\$27,777

AIRPORT NAME: Cochise County Page
 SPONSOR: Cochise County
 AIRPORT CATEGORY: General Aviation
 SCHEDULE: FY 2007 – 2011
 PROJECT #: E5S14
 PROGRAM AMOUNT: Project Change
 PROJECT MANAGER: Tammy Martelle
 PROJECT DESCRIPTION: Construct Apron; Construct Partial Taxiway.
 REQUESTED ACTION: **Approve additional funding (\$43,764) due to higher than expected bid costs.**

FUNDING SOURCES:	FAA	\$0
	Sponsor	\$54,863
	State	\$493,764
	<i>Total Program</i>	\$548,627

AIRPORT NAME: Williams Gateway Page
 SPONSOR: Williams Gateway Airport Authority
 AIRPORT CATEGORY: Reliever
 SCHEDULE: FY 2007 – 2011
 PROJECT #: E7S67
 PROGRAM AMOUNT: New Project Request
 PROJECT MANAGER: Tammy Martelle
 PROJECT DESCRIPTION: Taxi lane G Construction Project, Phase 2.
 REQUESTED ACTION: Approve a new grant to cover the shortfall in Grant E6S33.

FUNDING SOURCES:	FAA	\$0
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Sponsor	\$213,778.14
State	\$160,000
<i>Total Program</i>	\$373,778.14

Board Action: A motion to approve Items 39, 41, 42, 43 and 44 was made by Mr. Schorr, seconded by Mr. Feldmeier and passed unanimously.

- *
 - Minutes from the November 1st PPAC Meeting
 - Approved Changes to the FY 2007 – 2011 Highway Construction Program Fiscal Year Summary
 - November 2006 Highway Program Monitoring Report

* 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.

- November 29, 2006 10:00 AM
- January 3, 2007 10:00 AM

<http://ADOTPPAC.ORG/>

RIGHT OF WAY RESOLUTIONS

* RES. NO: 2006-11-A-052
 PROJECT: S-238-805 / 179YV304H341402R
 HIGHWAY: RIM ROCK – SEDONA HIGHWAY (S.R. 179)
 SECTION: Village of Oak Creek – Jct. 89A
 ROUTE NO.: State Route 179
 ENG. DIST: Prescott
 COUNTY: Coconino
 RECOMMENDATION: Amend Resolution 2005-12-A-067 due to design change

* RES. NO: 2006-11-A-053
 PROJECT: I-19-1(12)43 / 019PM000H088801R
 HIGHWAY: NOGALES - TUCSON
 SECTION: Continental – Sahuarita Road
 ROUTE NO.: Interstate Route 19
 ENG. DIST: Tucson
 COUNTY: Pima
 DISPOSAL: D-T-068
 RECOMMENDATION: Disposal by easement extinguishment to the under lying fee owner

STATE ENGINEER'S REPORT

Sam Elters reported that there are 65 projects under construction for a total of nearly \$790 million. During the month of October, 12 projects were finalized for a total of nearly \$60 million. Fiscal year-to-date, 49 projects have been finalized.

* Report on construction and projects completed in October, 2006.

CONSTRUCTION CONTRACTS

Interstate Federal-Aid ("A" "B") 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: October 27
HIGHWAY: EHRENBERG-PHOENIX HIGHWAY (I-10)
SECTION: I-10 at 43rd Avenue & 51st Avenue
COUNTY: Maricopa
ROUTE NO.: I-10
PROJECT: CM-010-B(200)A 010 MA 139 H668901C
FUNDING: 60% Federal 18% State
20% RARF 2% Private
LOW BIDDER: Coffman Specialties, Inc.
AMOUNT: \$ 1,885,000.00
STATE AMOUNT: \$ 2,002,186.00
\$ UNDER: \$ 117,186.00
% UNDER: 5.9%
NO. BIDDERS: 4
RECOMMENDATION: AWARD

BIDS OPENED: October 6
HIGHWAY: BENSON-STEINS PASS HIGHWAY (I-10)
SECTION: Benson Bypass
COUNTY: Cochise
ROUTE NO.: I-10
PROJECT: IM-010-F(006)A 010 CH 303 H637001C
FUNDING: 94% Federal 6% State
LOW BIDDER: Fisher Sand & Gravel Co. dba
Southwest Asphalt Paving
AMOUNT: \$ 7,299,307.00
STATE AMOUNT: \$ 8,714,250.00
\$ UNDER: \$ 1,414,943.00
% UNDER: 16.2%
NO. BIDDERS: 6
RECOMMENDATION: AWARD

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

Non-Interstate Federal-Aid (“A” “B”) 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: October 27
HIGHWAY: KINGMAN-SELIGMAN HIGHWAY (SR 66)
SECTION: SR 66, Peach Springs Main Street Streetscape
COUNTY: Mohave
ROUTE NO.: SR 66
PROJECT: TEA-066-A(002)A 066 MO 103 H633101C
FUNDING: 94% Federal 6% State
LOW BIDDER: Bison Contracting Co., Inc.
AMOUNT: \$ 680,218.45
STATE AMOUNT: \$ 627,426.00
\$ OVER: \$ 52,792.45
% OVER: 8.4%
NO. BIDDERS: 5
RECOMMENDATION: AWARD

BIDS OPENED: October 27
HIGHWAY: GILA BEND-LUKEVILLE HIGHWAY (SR 85)
SECTION: Sahuaro Street to Rasmussen Road
COUNTY: Pima
ROUTE NO.: SR 85
PROJECT: TEA-085-A(004)A 085 PM 040 H660301C
FUNDING: 94% Federal 6% State
LOW BIDDER: K.A.Z. Construction, Inc.
AMOUNT: \$ 930,000.00
STATE AMOUNT: \$ 758,940.00
\$ OVER: \$ 171,060.00
% OVER: 22.5%
NO. BIDDERS: 5
RECOMMENDATION: AWARD

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

* BIDS OPENED: October 6
HIGHWAY: PHOENIX-GLOBE HIGHWAY (US 60)

SECTION: Higley Road T.I.
COUNTY: Maricopa
ROUTE NO.: US 60
PROJECT: STP-060-C(200)B 060 MA 186 H670201C
FUNDING: 87% Federal 7% State 6% City of Mesa
LOW BIDDER: Meadow Valley Contractors, Inc.
AMOUNT: \$ 4,440,913.65
STATE AMOUNT: \$ 4,050,945.00
\$ OVER: \$ 389,968.65
% OVER: 9.6%
NO. BIDDERS: 3
RECOMMENDATION: AWARD

BIDS OPENED: October 27
HIGHWAY: AGUA FRIA FREEWAY (SR 101L)
SECTION: I-10 to I-17
COUNTY: Maricopa
ROUTE NO.: SR 101L
PROJECT: CM-101-A(200)A 101 MA 001 H666601C
FUNDING: 84% Federal 6% State 7% City of Glendale
3% City of Peoria
LOW BIDDER: C S Construction, Inc.
AMOUNT: \$ 8,216,213.00
STATE AMOUNT: \$ 7,314,387.00
\$ OVER: \$ 901,826.00
% OVER: 12.3%
NO. BIDDERS: 5
RECOMMENDATION: AWARD

Sam Elters stated that a contractor, Power Engineers, wished to make a presentation today. And the apparent low bidder here as well, CS Construction, Inc. Mr. Elters stated that on the day of the bid opening, as we opened and read bids, Power Engineers was the apparent low bidder. Subsequently and as we analyzed the bid tabs, we did discover a discrepancy between the unit cost and the extended amount. Following the specification, the unit cost determines, we multiplied the unit cost by the number of units and put the corrected extended amount and with that CS Construction became the apparent low bidder. I want to point out to you that Power Engineers is here and wishes to present as I go through and present the Item to you. I also want to inform you that Ron Aschenbach from the Attorney General's office is here to answer any question that you may have and I also asked Barry Crocket from Contracts and Specifications to be present to also answer questions.

Mr. Schorr asked what line item should we be looking at?

Mr. Elters replied, it would be Item 7016061. In the packet, there is a sheet titled, Bid Schedule. It should be about the fifth page in the packet. It is the second item from the top. With that, Mr. Elters described the Item. The project is on the Agua Fria Freeway between I-10 and I-17 in Maricopa County. The funding is 84 percent federal, 6 percent state, 7 percent from the City of Glendale and 3

percent from the City of Peoria. The apparent low bidder is CS Construction, Inc. The bid amount is \$8,216,213.00. The state estimate was \$7,314,387.00. The low bid is \$901,826.00 above the state estimate equating to about 12 percent. We did receive five bids for this project. The five bids received ranged from \$8.2 million to \$9.8 million with the low bidder and the second low bidder being about half a million dollars apart. In review of the bid tabulation and contact with the low bidder indicated a couple of things. First is that the overhead plan structures on this project turned out to be a single source item due to the Buy America Act which resulted in higher costs. The second item for the most part higher conduit costs due to the excavation in rocky material and also recent fluctuation in conduit and PVC cost. We do believe we have a reasonable bid for this project acknowledging that this project has a critical schedule due to Super Bowl game in 2008 in the valley and with that in mind, recommend award.

Mr. Elters continued that we have in our specifications language that clearly states that if there is any discrepancy between a unit cost and the extended amount that the Department shall follow the unit cost multiplied by the number of units and establish the extended amount. We have historically adhered to the specification because we do not believe there is discretion at my level or at the Board simply because the specifications are clear and speak in strong terms as it shall and will not. In the last five years, we have had on five occasions, five contracts come into questions similar to the situation that we are dealing with today. Of the five, two resulted in as read, apparent low bidder, not being low bidder. I should point out to you that the contractor that is the apparent low bidder today, which is CS Construction, was not awarded a contract for just this type of error in February 2000. Another two of the five contracts over the last ten years resulted in as read bid amount later decreasing. Contractor being notified agreeing to still going ahead with the project and the project being awarded to that contractor. And the last of the five was not apparent low bidder when the bids were read. The discrepancy was discovered. We followed the specs. The contractor became an apparent low bidder. However, the error resulted in substantial decrease. The contractor came in to the Board and the Department, showed documentations that the decrease was so substantial that they could not build the project for that amount and we recommended to the Board that they be released and we went to the low bidder and the Board concurred.

Mr. Brent Lackey/Power Engineers read from a document presented to Board members. It stated, that in continuation of our initial protest to Sam Elters (AZDOT State Engineer) dated October 31, 2006, regarding the award of bid for project #CM-101-(200)A, POWER Engineers, makes the following presentation before the Board. Power feels that the award should be given to us as the low bidder. We understand that there was a technical error in the calculation for line item #7016061, but feel we have presented excellent documentation to the State engineer as to our real intent for this item. This documentation is labeled Exhibit "A". As you can see on the spreadsheet and the bid document from United Highway technologies, it was our intent to bid a unit price of \$101.29 for item #7016061 with an extended price of \$22,992.90. We offered in our original protest to guaranty a NOT TO EXCEED on the extended price for this line item at \$22,992.90, which means our total bid price read at the bid opening would still be valid. POWER understands that it may be difficult in most cases to be sure what the original intent of the bidder was when a technical math error appears on their bid document, but in this case it is very clear what POWER's intent was as it applies to the authenticity of the extended price on our bid sheet. Per the State Engineer's response letter dated November 13, 2006, to POWER Engineers, it is apparent by the statement in this letter that even the reviewer acknowledges our intent. This documentation is labeled exhibit "B". It is our opinion that the State Engineer and the Transportation Board have the discretion to award this project to POWER Engineers based on our

documentation of the extended price for this line item. Given similar situations the State Engineer and the Transportation Board have dealt with in the past, we want to be sure that we are being treated with the same consideration and discretion as others may have been afforded. In the event that the Transportation Board can not agree with our request, the appropriate solution to this issue would be to re-bid the project. This would serve the best interest of the State of Arizona by eliminating further project delays caused by protest actions from POWER or any other party. Thank you for your time and the opportunity to present our position on this issue. Your thoughtful evaluation of this request is greatly appreciated.

Thank you sir. Are there any questions?

Mr. Zubia asked if there are any explanations as to how that number got into that line item, it's obvious when you look at it, they don't match.

In reply, it's an Excel spreadsheet that we put together when we did this. And the working days got back, so to speak to 3 instead of 227. So if you divide that by 3 it came out to 7,000 but the 227 was the 101. So it wasn't necessary the 7,000, which is an erroneous number, but it was the days that got changed from 3 to 227. Our true price was \$22. The actual bid price you can see is a \$14 a day item.

The last column on our Excel spreadsheet was not wrong at all. The 3 days got changed to 227 days. Excuse me, the 227 got changed to 3 and took the 22,000 and divided back in. The spreadsheet with the error is in the document.

A question for Mr. Elters is I'm assuming that you've made the correction to the POWER Engineering bid.

In reply, Mr. Elters stated that we did and if you take the 7,664 unit cost multiplied by 227 you end up with approximately \$1,700,000. When you take \$22,000 from the data, you add \$1.7 million it puts it much higher than need, \$8,200,000. And it will take it out of the apparent low bidder status.

I'm confused at how we're going from \$22,000 to \$1.7 million.

The CS Bid is \$8.26 million.

The POWER Engineers original bid as read on the day of the opening date was \$8,920, 836.65. Going to the next sheet, if you take item number 7016061 and take \$7,664 and multiply by the quantity of 227 you do not get the 22,000 that is appearing here. You get \$1,000,700. If I may, one other comment, understanding that errors do occur, I and staff had difficulty following the supporting document that was submitted. In the sheets that were provided as exhibits, it shows a total number or an extended number of \$22,942.50, yet in the bid scheduled that I share with you here, it shows \$22,992.90. So it was difficult for us to truly follow and understand the intent and as outlined in our specification that is a dangerous approach to try to lead the contractors intent in mind and we go by what is placed in those boxes and the specifications which again you have a copy of and are very clear on that. Let me refer you to that sheet.

If you look at the item above, 8,400 times three bucks is \$27,000. How are we going from 227 units at \$7,600 to \$22,000? 227 times 7600 is a whole lot bigger number than 22,000.

That was my point, if you are using a spreadsheet correctly, you are going to take the unit and multiply it by your days....If you use the unit price and refer back to that cell you would have gotten your total extended amount. It looks to me like someone went in and punched a number and instead saw the three days and went back in the unit price and stuck in 7,600 because 3 times 7,600 gets you 22,992. .

Mr. Chairman, members of the Board, if I may, let me point out to you, we've included language from the specs, I direct your attention to it, section 10302 of the specs. It reads the following, the Department will consider the following in interpreting proposals, a) in the event of a discrepancy between unit bid prices and extension, the unit bid price shall govern, b) unit prices may show up to two decimal places. Decimal places beyond two will be truncated for example if the stated unit price is \$1.128 per unit, the Department will interpret the unit bid price as \$1.12 per unit. The extended amount for the affected items and the total bid will be computed accordingly, c) the Department will not correct errors between unit bid prices even if it is demonstrated that an error was a clerical error. This language is in our specification.

Mr. Schorr asked what discretion, if any does the Board have should they vary from the regulation that Sam Elters just read to us?

In reply, State Law requires that you have open competitive bidding that is fair. You have to have a level playing field.

My question is what is the statute that governs this situation?

There are statutes concerning the bidding process for ADOT for construction and we also have the standard specification and the standard specifications that has mandatory language like this should be followed and I don't believe the Board has any discretion from deviating from this.

So you're saying that State Statute does not permit deviation from regulations from which the Board has adopted.

I don't know if the Department has adopted them specifically as an administrative group. But in this particular situation, what POWER Engineers is asking you to do is to give them preferential treatment.

I'm trying to get some legal guidance as to how to do our job. We may share your conclusions, but before we get to the conclusions, I want to understand what the law is. Are you saying that State Statute requires that the Board follow the regulations promulgated by the Department?

Yes.

Are there other questions?

Mr. Denton.

Gary Denton, Vice President, CS Construction, Inc. stated that as Mr. Elters stated earlier that we too made a clerical error in 2000. We basically had an extended amount that was suppose to be \$13,500 and the unit price was suppose to be \$90 and when we were writing it in, we put \$13,500 in both

columns. Clearly a clerical error. It increased our bid by almost \$2 million, therefore we were not awarded the project. We did try to fight it and we lost. This board decided to go with the standard specifications. We learned a lesson to review our bid documents. We have three people review them before we turn them in to make sure they are done right. We learned that lesson. As contractors all we ask is that ADOT be consistent with their specifications and with their decision making it fair for all contractors.

Board Action: A motion to give the bid to CS Construction Inc. was made by Mr. Householder. Mr. Schorr seconded the motion with the following understanding. Every case has to be decided on its own merits. However, based on the legal opinion that we've been provided with, which is that Statute requires that we follow the rules and regulations promulgated by the Department, I don't think we have any discretion. It seems very clear that the unit price is paramount, not the extended amount. Under the rules and regulations of the Statute, we have no discretion but to follow your advice on this, therefore, I second this motion. Items 56 passed unanimously; CS Construction is awarded.

Non-Interstate, Non Federal Aid

* BIDS OPENED: October 27
HIGHWAY: SAN LUIS – YUMA – QUARTZSITE HIGHWAY (US 95)
SECTION: US 95 at Avenue G
COUNTY: Yuma
ROUTE NO.: US 95
PROJECT: U-095-A-504 095 YU 010 HX16901C
FUNDING: 50% State 50% Yuma County
LOW BIDDER: Tanner Companies (Yuma) Inc.
AMOUNT: \$ 705,267.48
STATE AMOUNT: \$ 788,527.00
\$ UNDER: \$ 83,259.52
% UNDER: 10.6%
NO. BIDDERS: 2
RECOMMENDATION: AWARD

CONSENT AGENDA

Board Action: A motion to approve the Consent Agenda was made by Mr. Lane, seconded by Mr. Householder and passed unanimously with Mr. Schorr recusing himself from Items 51, 53, 55 and 57.

Board Action: A motion to approve the remaining items in the Consent Agenda was made by Mr. Lane, seconded by Mr. Householder and passed unanimously.

Mr. Jankofsky amended the director's report by reading an excerpt from the Arizona Republic. In a surprise about face, the Gila River Indian Community will talk to state and federal officials about the prospect of building the South Mountain Freeway on Reservation land possibly sparing homes in Ahwatukee Foothills. The change in stance came late Wednesday when the Communities Council agreed to establish a transportation team to begin exploratory negotiations with ADOT and federal highway agencies over various roadways including South Mountain and Interstate 10.

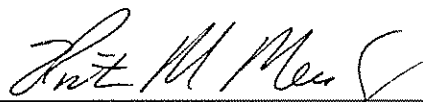
ADJOURN

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

The meeting adjourned at 11:45 a.m.



Joe Lane, Chairman
State Transportation Board



Victor M. Mendez, Director
Arizona Department of Transportation

*Denotes items approved in the consent agenda.