



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

PAT MCCRORY
GOVERNOR

ANTHONY J. TATA
SECRETARY

August 29, 2014

TO:

Senator Kathy Harrington
NC Senate
16 W. Jones St., Room 2113
Raleigh, North Carolina 27601-2808

Representative Frank Iler
NC House of Representatives
300 N. Salisbury Street, Room 637
Raleigh, NC 27603-5925

Representative John A. Torbett
NC House of Representatives
300 N. Salisbury Street, Room 538
Raleigh, NC 27603-5925

FROM: Michael L. Holder, PE
Chief Engineer

This letter serves as the report on the Department's plan for increasing its use of outsourcing pavement preservation activities as required by Session Law 2014-100, Section 34.11(l).

The Department established an internal transition team comprised of construction, maintenance, materials testing and field personnel who are developing items necessary for increasing outsourcing and achieving goals as prescribed in Session Law 2014-100, Section 34.11(i). There are five key areas the team is addressing which include the following:

1. Contract Development and Specifications
2. Industry Outreach and Education
3. Contract Inspection
4. Data Tracking
5. State Force Transition

In the area of Contract Development and Specifications, the Department is currently revising specifications in order to insure consistency statewide and anticipates having revised specifications by January 2015. The Department will collaborate with the Carolina Asphalt Paving Association's (CAPA) specification committee and the North Carolina Aggregate Association (NCAA) in advance of adopting new specifications.

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Most highway Divisions anticipate letting preservation contracts in FY 2014-15 and all Divisions anticipate letting preservation contracts in FY 2015-16.

The Department is actively engaging industry on this transition. All Divisions have identified potential contractors who may be interested in pursuing preservation activities and Divisions will advertise contracts using established advertising and procurement procedures. Department personnel have met with and continue to meet with CAPA regarding increased contracting. Session Law 2014-100, Section 34.11(f) defines eligible preservation activities and treatments. Except chip seals, most of the defined twelve eligible treatments are currently outsourced. The Department anticipates hosting a chip seal best practices training course offered by the National Center for Pavement Preservation this winter to further expose the paving industry to chip seals. In addition, pavement preservation topics will be included at the 2015 CAPA/NCDOT Asphalt Training Workshop. NCDOT will make pavement preservation program information centrally available on the Department's website in a location easily accessible to the industry.

Contract inspection is critical to ensure a smooth transition. The Department is establishing a materials sampling program for both aggregates and emulsions used in contract chip sealing operations. The Department also recognizes the need for contractor certification and inspector certification programs. Personnel have obtained copies of other states programs and will develop programs for North Carolina next year.

To meet further reporting requirements Session Law 2014-100, Section 34.11(l), the Department is analyzing capabilities of its management systems as well as the contract administration system. The Department will meet the requirements set forth in Session Law 2014-100, Section 34.11(l) and will report to the JLTOC and Fiscal Research Division by December 1st.

Over the past decade, North Carolina's chip sealing program was implemented by state forces. With the defined outsourcing requirements, the Department will systematically reduce its use of personnel in placing chip seals. The Department recognizes that a new contract industry will need assistance in building their programs. Therefore, the Department plans to utilize leadership from experienced NCDOT staff to assist in the development and inspection of contracts.

Please advise if you have questions or need clarification.

cc: Fiscal Research
Beau Memory
Mary Jernigan