

Joint Engineering Division Board of Directors
Meeting Highlights
Silverado – Napa, CA
January 28, 2010

The Joint Engineering Division Meeting was held on January 28, 2010. Division Chair John Douglas, Granite Construction, called the meeting to order and led the Pledge of Allegiance followed by the approval of the October 2009 meeting minutes.

Mr. Douglas recognized Curt Weltz as the past chair of the Division and provided highlights of 2009 Division accomplishments under Mr. Weltz' leadership. A plaque was presented to Curt for his service over the past year.

FHWA: Highway Reauthorization Bill and What it Means to California: Walter "Butch" Waidelich, California Division Administrator made a presentation of the highway reauthorization bill and discussed what it means to California. Mr. Waidelich stated that he believes in a visible highway administration and that we together provide accountability for federal dollars which is all our responsibility. We all succeed together as partners. Butch stated that since we do not currently have a transportation authorization (SAFETEA-LU expired last September), it would be difficult to guess what it will look like. Instead, Butch discussed those factors that may be part of the debate that will result in our next transportation authorization. He discussed the Highway Trust Fund status, our continuing resolutions, the affect of the Minnesota bridge collapse 30 months ago, cost escalation since ISTEA, preservation of our existing system, and the SAFETEA-LU Section 1909 Report (Surface Transportation Policy and Revenue Study Commission) along with the ten focus areas identified as national interest within it:

- Rebuilding America
- Freight Transportation
- Congestion Relief
- Saving Lives
- Connecting America
- Intercity Passenger Rail
- Environmental Stewardship
- Energy Security
- Federal Lands
- Research, Development, & Technology

Butch also discussed The American Recovery and Reinvestment Act of 2009 (ARRA) which was enacted on February 17, 2009. The main objectives of the Act are:

- Job preservation and creation
- Infrastructure investment
- Energy efficiency and science
- Assistant to unemployed
- State and local fiscal stabilization

ARRA highlights include:

- \$48.1 billion for transportation, including
 - \$27.5 billion for highways
 - \$8.4 billion for transit
 - \$8.0 billion for high speed rail
 - \$1.3 billion for Amtrak
 - \$1.5 billion for National Surface Transportation Discretionary Grants

Department of General Services (DGS): New Regulations, New Projects 2010: Eric Mandell, Chief of the California Office of Small Business and Disabled Veterans Business Enterprises (DVBE) provided an overview of the DGS' outlook of new regulations and new projects for 2010. Mr. Mandell stated that the following has taken place over the past year:

- AB 31 (now Senator Curren Price) took effect January 1, 2010 - raises the allowable limit for state departments to contract directly with small business and DVBE firms to \$250,000. Departments are also required to report the actual amount of state dollars that went to SB and DVBE firms vs. how much was promised.
- SB 548 (DVBE) - requires contractors to report how much money was actually spent with DVBEs at the end of the contract period vs. what was promised.
- AB 4X21 - The Good Faith Effort was eliminated as a means of meeting DVBE contract goals when a department doing a bid decides to set a DBE goal in the contract.

Legislative Update: David Ackerman discussed the stimulus fund and stated that it was being distributed as quickly as possible. New jobs have not been created but it kept companies from laying off employees. There are approximately 19,000 California jobs created per billion dollars spent.

1. It is anticipated that the state deficit will be approximately \$19.8 billion dollars by July 1, 2011.
2. California is receiving \$3.7 billion from the ARRA formula-based programs, as well as additional funds from competitive grant programs. Caltrans has obligated 100 percent of its ARRA funds.
3. There are multiple steps required in the federal funding process, but only the obligation and expenditure of funds have specific deadlines under ARRA.
4. Contracts have been awarded across the state of 73 projects using \$771 million (80 percent) of Caltrans' ARRA funds.
5. As of January 11, 2010, Caltrans reports that local agencies have obligated \$1.2 billion (72 percent) of their funds. The remaining \$455 million must be obligated by March 2, 2010.
6. Contracts have been awarded by local agencies for 354 projects using \$726 million (45 percent) in ARRA funds.

DBE and DVBE Firms: How to Recruit, Keep and Grow Small Business Firms that Perform Commercially Useful Function - Panel members: Eric Mandell, Miguel Galarza, Chris Hickey, Walter "Butch" Waidelich, John Douglas – The panel members participated in discussions regarding their experiences using DBE and DVBE firms and how they were able to recruit and grow small business firms that continue to provide commercially useful functions (CUF).

Open Discussion – Outlook and Issues for 2010: Attendees participated in a group discussion and provided the following list of priorities for 2010:

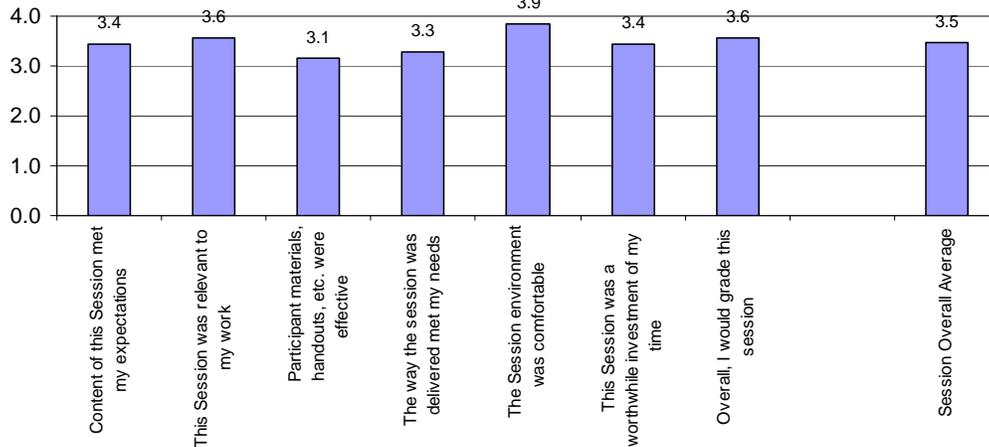
- Funding
- Updates on legislative issues
- DBE/UDBE
- Public contracting
- Emphasize “It’s good business to do business with an AGC member”
- Attract more members
- Partner with more agencies
- CARB

Respectfully submitted by:
Sam Hassoun, P.E.
Director, Joint Engineering Division

Joint Engineering Division Board Meeting Silverado - Napa Session Evaluation*

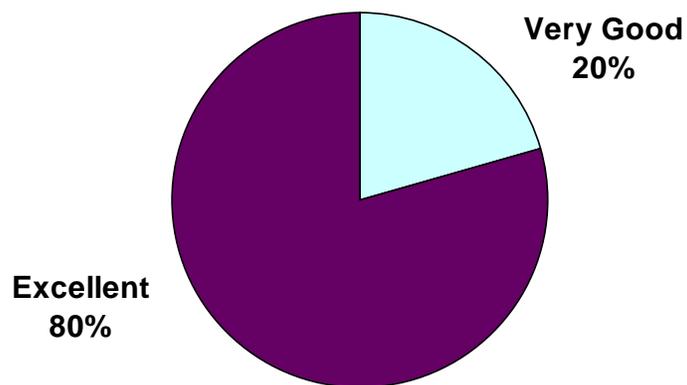
Grade: 4.0 = A (Excellent/Strongly Agree) 0.0 = F (Poor/Strongly Disagree)

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Joint Engineering Division Meeting Board Meeting Silverado - Napa Session Evaluation*

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*Number of Attendees: 36
Number of Respondents: 9

Written evaluations from participants:

The Most Valuable Part of the Joint Engineering Division Session:

- Fed's involvement
- Very Good
- FHWA presentation
- Liked the round tables
- Interactive Q&A
- DVBE
- FHWA
- Discussion on DBE/DVBE
- Panel

How Can We Improve Future JED Sessions?:

- Need to offer same & more info on other heavy equipment & highway work other than needs, for example water, waste management, storm drains, and dams
- Good use of the suggested topics will help
- Bring in people that can do something about problems