“At the end of the day, government is about teamwork and partnership and we will be proving that by working together.”

- Julia Gillard

Success Through Partnering
EDC Initiatives Update
It is agreed and understood between the parties hereto that the Contractor agrees to accept and the Commission agrees to pay for the work at the prices stipulated in the Contract Schedule of Prizes, such payment to be in lawful money of the United States, and the payment shall be made at the time and in the manner set forth in the Specifications.

WITNESS OUR HANDS, this date FEB 22 2012

CONTRACTOR

CRANFORD CONSTRUCTION CO.

BY: [Signature]

PRINTED NAME: [Signature] (Must Be Legible)

ARKANSAS STATE HIGHWAY COMMISSION

BY: [Signature]

Director of Highways and Transportation

Doc Express Document Signing History

Contract: 061440 Document: 061440 CONTRACT

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<thead>
<tr>
<th>Date</th>
<th>Electronically Signed By</th>
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<tr>
<td>09/17/2015</td>
<td>Robert Jones</td>
</tr>
<tr>
<td></td>
<td>M &amp; T PAVING &amp; CONSTRUCTION CO. INC.</td>
</tr>
<tr>
<td></td>
<td>(SIGNED BY CONTRACTOR)</td>
</tr>
<tr>
<td>09/17/2015</td>
<td>Twandria Campbell</td>
</tr>
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<td></td>
<td>Arkansas State Highway and Transportation Department</td>
</tr>
<tr>
<td></td>
<td>(REVIEWED BY PROGRAM MANAGEMENT)</td>
</tr>
<tr>
<td>09/17/2015</td>
<td>Emanuel Banks</td>
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<td>Arkansas State Highway and Transportation Department</td>
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</tr>
<tr>
<td>09/18/2015</td>
<td>Lorie H. Tudor</td>
</tr>
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<tr>
<td>09/18/2015</td>
<td>Scott Bennett</td>
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<td>Arkansas State Highway and Transportation Department</td>
</tr>
<tr>
<td></td>
<td>(SIGNED BY DIRECTOR)</td>
</tr>
</tbody>
</table>
### OSAGE CREEK STR. APPRS. (S) FEDERAL AID PROJECT STPF-BRN-0004(53)

**Mobley Contractors, Inc., The Cashion Company, Inc.**  
HWY. 264/SECTION 3/BENTON  
Letting Date: Oct 13 2015  
Bid Order Number: 300

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<th>Document Type</th>
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<tr>
<td>1-DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION</td>
<td>6</td>
</tr>
<tr>
<td>2-CONTRACTOR'S CERTIFICATION STATEMENT (SWPPP) STORM WATER</td>
<td>1</td>
</tr>
<tr>
<td>3-CERTIFICATE OF LIABILITY</td>
<td>1</td>
</tr>
<tr>
<td>4-STATUTORY PERFORMANCE AND PAYMENT BOND</td>
<td>3</td>
</tr>
<tr>
<td>CONTRACT EXECUTION</td>
<td></td>
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Next Area of Change

Estimate Vouchers

Change Orders
3D Modeling

- I-40 / I-430 Interchange Improvements via 3D Modeling

- Realistic renderings based on 3D Modeling
e-Construction

The Future

NEXT EXIT
AGC Leadership Group
PARTNERING AGREEMENT
AHTD and AGC

Whereas, the Arkansas State Highway and Transportation Department (AHTD) and the Associated General Contractors of America, Arkansas Chapter (AGC), recognize the importance of providing quality surface transportation facilities in a safe, timely and cost-effective manner.

Therefore, we agree to continue our partnering efforts and to formalize the agreement through the following:

- Promote harmonious relationships throughout the industry, fostered in the concept of mutual trust and respect.
- Foster an inclusionary industry that ensures full and open opportunity for all to participate and for responsible businesses to compete in an open, competitive bid environment.
- Promote quality through continuous improvement at all stages of the design and construction process.
- Cooperatively promote and encourage the use of new products, technology and processes that provide a demonstrated level of improved quality.
- Promote prompt and fair dispute resolution by opening communications through the use of partnering.
- Deliver surface transportation facilities in a manner that is environmentally responsible in both design and construction; and
- Ensure that the safety of the public and our employees will be a prime concern in delivering transportation facilities.

By following these principles, we can build customer satisfaction, enhance the quality of construction, and deliver a top quality product in which we can take pride.

Signed this 18th of October 2011

Arkansas State Highway and Transportation Department

Maddison Murphy
Commission Chairman

Scott E. Bennett
Director of Highways and Transportation

Associated General Contractors
Arkansas Chapter

Brad Fryar
President

Mark Windle
Highway Division Chairman
Broadway Bridge with Massman Construction
Executive Partnering – AHTD and Kiewit
ACEC Leadership Group
ACEC Leadership Group

- Crafton Tull (Mike Burns)
- Garver (Glynn Fulmer)
- Michael Baker (Mike Stengel)
- Grubbs Hoskins Barton & Wyatt (Mark Wyatt)
- Lorie Tudor, Deputy Director and Chief Operating Officer
- Emanuel Banks, Deputy Director and Chief Engineer
- Mike Fugett, Assistant Chief Engineer – Design
- Kevin Thornton, Assistant Chief Engineer - Planning
Partnering Success Stories
Interstate 555
<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
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<tbody>
<tr>
<td>1968-2012</td>
<td>US Highway 63, Interstate 55 to Jonesboro</td>
</tr>
<tr>
<td></td>
<td>Upgraded to Interstate Standards</td>
</tr>
<tr>
<td></td>
<td>44 miles, $250 Million</td>
</tr>
<tr>
<td>1988-2010</td>
<td>$65 Million in Federal-aid Earmarks</td>
</tr>
<tr>
<td>1998</td>
<td>Designated as Congressionally Designated High Priority Corridor 39</td>
</tr>
<tr>
<td></td>
<td>from Interstate 55 to Marked Tree</td>
</tr>
<tr>
<td>2001</td>
<td>Designated as Future I-555</td>
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Obstacles
<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
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<tr>
<td>2001-2016</td>
<td>Description</td>
</tr>
<tr>
<td>May 2015</td>
<td>2015 First Extraordinary Session of the 90th General Assembly</td>
</tr>
<tr>
<td>Act 11</td>
<td>Exemption Language</td>
</tr>
<tr>
<td>December 2015</td>
<td>Arkansas State Highway Commission Adopted Minute Order</td>
</tr>
<tr>
<td>Designated 44 miles of U.S. Highway 63 as Interstate 555</td>
<td></td>
</tr>
<tr>
<td>December 2015</td>
<td>Fixing America's Surface Transportation (FAST) Act</td>
</tr>
<tr>
<td>Senator Boozman, Congressman Crawford, and Commissioner Farmer</td>
<td>Exemption Language</td>
</tr>
<tr>
<td>February 2016</td>
<td>Final Approval Received from Federal Highway Administration</td>
</tr>
</tbody>
</table>
✓ Burlington Northern Santa Fe Railroad Overpass

- TIGER Grant with Local Match – $1.5 Million to begin Project Development
- Construction Cost - $12 Million
- Partnering with AHTD
- Estimated Let Date: 2017
Interstate 430/630 – Big Rock Interchange
I-430/I-630 Interchange

Maintenance of Traffic Team

- Federal Highway Administration
- City of Little Rock
- Contractors
- Consultants
- AHTD:
  - Public Information
  - Roadway Design
  - Construction
  - Maintenance
Two Partnering Projects

✓ **Interchange Improvements**
  - Partnering Involves Bentonville and Rogers
  - Each City to Provide $1.5 million
  - Single Point Urban Interchange
  - Scheduled 2018

✓ **Dixieland to 8th Street (Rogers)**
  - Partnering Involves Rogers
  - City to Provide 50% of project cost up to $5 million
  - Scheduled 2018
Highway 255
Interstate Rehabilitation Program
In 2011 citizens voted to continue the Department’s authority to use GARVEE bonds. This will allow the Department to spend $1.2 billion towards the rehabilitation of almost 500 miles of Interstate.
Interstate Rehabilitation Program Update

Completed:
25 Projects
177 Miles
$486 Million

Under Construction:
13 Projects
72 Miles
$315 Million

Scheduled:
44 Projects
244 Miles
$625 Million

LEGEND
- Completed
- Under Construction
- Scheduled
Connecting Arkansas Program
In 2012 citizens voted and approved the Connecting Arkansas Program. This will allow the Department to spend $1.8 billion to improve highway and interstate projects throughout the state.
Connecting Arkansas Program Update

Under Construction:
- 7 Projects
- 29 miles
- $263 million

Scheduled:
- 29 Projects
- 158 miles
- $1.6 billion
History of AHTD and Highway Commission
“We are always yapping about the ‘Good Old Days’ and how we look away back and enjoy it, but I tell you there is a lot of hooey to it.”

– Will Rogers
The Teens and Twenties

- **First Commission Created**
  - ✓ No Highway Department
  - ✓ No Highway System

- **$72,000 Total Budget**

- **36,000 Miles of Public Roads**

- **First Gas Tax – 1 cent per gallon**

- **State Highway System Created**

- **State Highway Department Created**
The Thirties and Forties

- Gas Tax Raised to 6.5 cents per Gallon
- 1960’s Before Next Increase
- Commission Structure Changed Four More Times
- 9,700 Highway Miles (4,900 Paved)
- Too much Political Influence on Highways – Growing Discontent

Magnet Truck, Picked up an average of 20 lbs of metal per mile

State Highway Department HQ, 1939
The Fifties

- **1951 - Highway Audit Commission Report**
  - “the advice, counsel and expert know-how which is available from the Department’s own technical and administrative staffs bear scant weight indeed when they are in conflict with the political pressures and political promises of the moment.”

- **Interstate Era**

- **11,000 Miles State Highways**
  - (8,800 Paved)

- **9 Legislative Acts Restructured Commission since 1913**

- **1952 – Mack Blackwell Amendment**

Widening Hwy 67 near Malvern, 1956
The Sixties and Seventies

- No changes to Commission Structure
- Department became Debt Free
- Legislature transferred nearly 4,400 more miles of County Roads to Highway System
- Department adds “Transportation” to its name – Authority Expanded
- 1st State to Complete its Interstate System (1975)
- 16,000 Highway Miles (15,000 Paved)
The Eighties and Nineties

- **1985** – Rural Road Program – out of the mud
- **Early Retirements** – huge workforce turnover
- **1991** – Highway Improvement Program
- **1993** – Last Federal Gas Tax Increase
- **1999** – Last State Gas Tax Increase
- **1999** – Interstate Rehabilitation Program – First Highway Bond Issue in 50 years
- **I-540** (now I-49) and I-530 Completed
- **16,400 Highway Miles**
The New Millennium

- Winter Weather in Dec 2000 and Jan 2001 cost almost $40 M.
- Governor’s Working Group on Highway Funding
- 2011 – 2nd Interstate Rehabilitation Program
- 2012 – Connecting Arkansas Program
- 16,400 miles State Highways

New White River Bridge on Hwy 64 at Augusta opened in 2001.
Current Administrative Staff
Department Staff Changes

Randy Ort – Assistant Chief - Administration
David Henning – State Construction Engineer
Mike Boyd – Chief Fiscal Officer
Deric Wyatt – District 2 Engineer
Ben Browning – Design/Build Project Director
Jared Wiley – Program Management Engineer
Robyn Smith – ASHERS Executive Secretary
Danny Straessle – Public Information Officer
Federal and Legislative Funding
Fixing America’s Surface Transportation (FAST) Act

• Authorizes 5 Years of Funding
  – Federal Fiscal Years (FFYs) 2016-2020

• $225.2 Billion for Highway Investment

• Over 5 Years:
  – $20.2 Billion Increase from FFY 2015
  – $250 Million Increase for Arkansas
Governor’s Working Group on Highway Funding

January 19, 2016
Press Conference
## Highway Funding Option Presented by Governor Hutchinson
### 2016 Special Session

<table>
<thead>
<tr>
<th>Item</th>
<th>Source</th>
<th>2017 (x $1M)</th>
<th>2018 (x $1M)</th>
<th>2019 (x $1M)</th>
<th>2020 (x $1M)</th>
<th>2021 (x $1M)</th>
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<tbody>
<tr>
<td>Transfer 2015 Unobligated Funds</td>
<td>Surplus</td>
<td>$20.0</td>
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<tr>
<td>Transfer from Governor</td>
<td>Rainy Day Fund</td>
<td>$20.0</td>
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<tr>
<td>Transfer Sales Tax New &amp; Used Vehicles</td>
<td>General Revenue</td>
<td>$ 1.5</td>
<td>$ 8.0</td>
<td>$15.0</td>
<td>$20.0</td>
<td>$25.0</td>
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<tr>
<td>Redirect Diesel Tax</td>
<td>General Revenue</td>
<td>$ 2.7</td>
<td>$ 2.7</td>
<td>$ 2.7</td>
<td>$ 2.7</td>
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<tr>
<td>Eliminate Deduction - Temporary ½ cent Sales Tax</td>
<td>State Central Services</td>
<td>$ 5.4</td>
<td>$ 5.4</td>
<td>$ 5.4</td>
<td>$ 5.4</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$46.9</strong></td>
<td><strong>$16.1</strong></td>
<td><strong>$23.1</strong></td>
<td><strong>$28.1</strong></td>
<td><strong>$33.1</strong></td>
</tr>
</tbody>
</table>

Estimate based on 10-Year Average

| Allocate 25% of General Improvement Funding   | Surplus                       |              |              |              |              |              |
| **Total**                                     |                               | **$46.9**    | **$64.1**    | **$71.1**    | **$76.1**    | **$81.1**    |
Funding Challenges
Federal Requirement for Federally Funded and Regionally Significant Transportation and Transit Projects

- 4-Year Minimum

- Required Components:
  - Demonstration of Financial Constraint
  - Metropolitan Planning Organization (MPO) Coordination
  - Public Involvement
  - Performance Management
## ESTIMATED ANNUAL NEEDS ANALYSIS
### 2016-2020
(x $1 Million)

<table>
<thead>
<tr>
<th>SYSTEM PRESERVATION</th>
<th>Tota l</th>
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<tbody>
<tr>
<td>Pavement Preservation</td>
<td>$ 306</td>
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<tr>
<td>Capacity Improvements</td>
<td>$ 288</td>
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<tr>
<td><strong>TOTAL SYSTEM PRESERVATION ANNUAL NEEDS</strong></td>
<td>$ 594</td>
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</table>

| ESTIMATED ANNUAL FLEXIBLE FUNDING    | $ 325  |

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<tr>
<th>RECOMMENDED DISTRIBUTION OF AVAILABLE FUNDING</th>
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<tbody>
<tr>
<td>SYSTEM PRESERVATION 80%</td>
</tr>
<tr>
<td>CAPITAL IMPROVEMENTS 20%</td>
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</tbody>
</table>
Federal Fiscal Years 2016-2020

Current STIP Schedule

- ✔ January 2016 - Proposed Projects to MPOs
- ✔ Spring 2016 - Receive MPOs Transportation Improvement Programs (TIPs)
- ✔ March 16, 2016 - Release STIP for Public Comment Period
- ✔ Mid-2016 - Submit to Federal Highway Administration (FHWA) and Federal Transit Administration (FTA)
- ✔ Summer 2016 - Approval from FHWA and FTA
Efficiencies and New Initiatives
MEMORANDUM

TO: Governor Asa Hutchinson
FROM: Arkansas Policy Foundation’s Efficiency Project
DATE: December 17, 2015

SUBJECT: Governor’s Memo

As Governor of the State of Arkansas, I am committed to preserving and protecting the financial integrity of our state. Transparency, accountability, and delivery of services are critical to maximizing their effectiveness.

The Arkansas Policy Foundation (the “Foundation”) was established in 1995 to promote the efficiency of our state government to ensure that state employees have every possible means to serve a critical need in good government. The Foundation’s mission is to conduct an independent, research-based, and nonpartisan analysis of public policy issues to improve the quality of life for all Arkansans.

The Foundation has established the Efficiency Project, which is charged with making recommendations to the governor’s office. The project will provide the executive director of the Foundation with a list of recommendations that can help improve the efficiency of state government. These recommendations will be shared with the governor, department heads, and other stakeholders.

In light of the foregoing, I hereby direct all directors of state offices and agencies to adopt the Foundation’s recommendations to streamline and improve the efficiency of state government.

Asa Hutchinson
## Kronos

### Increased:

- Transparency
- Accuracy
- Accountability
- Consistency
- Efficiency

### Reduced:

- Risk of non-compliance with federal labor laws and regulations
- 11 clerical positions
# Hours of Work Policy

## Purpose
- Efficiency/Time Management
- Employee Morale
- Work/Life Balance
- Recruitment and Retention
- Expanded Level of Public Service

## Options
- Flextime
- Compressed Work Week
- Reduced Hours
- Job Sharing
- Telecommuting
Network Fleet

For every $1 expended on Telematics GPS Tracking and Diagnostics System, AHTD is recognizing $2 plus in savings.
You Spoke... We Listened.

...ACE is on the Way!
• ArkansasHighways.com
• ConnectingArkansasProgram.com
• Vimeo.com/AHTD
• IDriveArkansas.com
• Twitter.com @AHTD
Questions?